



THE AMENDED SILVER SPRING URBAN RENEWAL PLAN

**ADOPTED BY THE MONTGOMERY COUNTY COUNCIL
RESOLUTION NO. 13-186
ON MARCH 11, 1997**

**AMENDED BY THE MONTGOMERY COUNTY COUNCIL
RESOLUTION NO. 14-346
ON NOVEMBER 16, 1999**

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I. INTRODUCTION AND PURPOSE

On August 4, 1992, the County Council adopted Resolution No. 12-801 which established the Silver Spring Retail Redevelopment Urban Renewal Project Plan that set out the County's policies and objectives for the redevelopment of the core of downtown Silver Spring. This Plan was written to accommodate only the proposed Silver Triangle Shopping Center, a two department store anchored mall, as the project for the redevelopment of the retail portion of the Urban Renewal Area. The Urban Renewal Plan relied on the Silver Spring Central Business District (CBD) Sector Plan (the Sector Plan), which was nearing completion, for the specific development requirements. Early in 1995, the County and the developer of the proposed shopping center mutually terminated their agreement because the necessary commitments from two department stores could not be obtained.

A. Public Policy Objectives of the Amended Urban Renewal Plan

The Silver Spring Urban Renewal Plan had to be amended and updated to allow the option for several development concepts to be used in the redevelopment of the Urban Renewal Area. The primary objectives in amending the plan are to provide:

- **A Comprehensive Approach to the Revitalization of Downtown** — by making the redevelopment of the core of downtown part of a comprehensive revitalization strategy for all of downtown.
- **More Flexibility** — to allow for creative development proposals that are market driven and responsive to the community.
- **An Expedited Development Process** — that can accelerate the timely revitalization of downtown while preserving and enhancing the community's quality of life.

1. The Goals of Urban Renewal

Urban Renewal allows the County to use additional legal and economic development tools to accomplish its redevelopment objectives in designated areas of the County. Redevelopment of the core of downtown Silver Spring is a key element of the County's comprehensive revitalization strategy for all of downtown Silver Spring. The goals of Urban Renewal are to:

- reverse the decline in productivity of downtown commercial properties and businesses;
- eliminate blighted areas in the core of downtown Silver Spring; and
- strengthen the economic vitality of the Central Business District.

In addition, the use of Urban Renewal in downtown would help the County achieve the vision and goals of the Silver Spring Central Business District (CBD) Sector Plan.

2. Eastern Montgomery County's Downtown

“...Silver Spring should be a regional magnet, not the type of ‘downtown’ which exists in Takoma Park, Kensington, or other suburban town centers in the County. All of the recommendations in this [Sector] Plan are directed toward achieving four basic goals for the Central Business District:

- promote retail development;
- provide for new housing opportunities;
- maximize transit opportunities; and
- protect existing neighborhoods.

Attaining these goals will make Silver Spring an interesting, stimulating, and active place to live and work. In short, Silver Spring will be **Eastern Montgomery County's Downtown.**” *From the Silver Spring Central Business District Sector Plan, adopted in April, 1993.*

3. Consistency with State Policies

Montgomery County's effort to redevelop the heart of Silver Spring is responsive to the recent policy initiative of Maryland Governor Parris Glendening. He wants the State to encourage and focus development efforts in established areas and promote the use of existing infrastructure and neighborhood services such as libraries, fire and police stations.

The Urban Renewal Plan is consistent with the Maryland Economic Development, Resource Protection, and Planning Act of 1992 by:

- concentrating infill development in an urban setting adjacent to the highest volume Transit Center in the State;
- locating redevelopment in an urban setting which discourages sprawl and helps preserve rural lands and open spaces;
- redeveloping in an urban setting which does not increase impervious surfaces helping to protect the Chesapeake Bay;
- increasing the use of existing public improvements and infrastructure which conserves resources by minimizing the need to build new facilities in undeveloped areas; and
- implementing the Urban Renewal Plan thus encouraging new economic growth in a commercial area that has experienced decline.

4. Goals and Development Objectives of the Urban Renewal Plan

While the Urban Renewal Plan provides guidance on land use and development, it must allow for the flexibility necessary for redeveloping the area in response to the market. The specific objectives to be achieved by redevelopment projects in the Urban Renewal Area will be the basis for all the development and design guidelines in this Plan and all redevelopment projects must be consistent with these objectives. The Urban Renewal Plan provides economic development tools to use in an area that has a demonstrated need for special assistance to encourage redevelopment.

- a. Downtown Silver Spring must be a destination for comparison shopping, services, employment, entertainment, recreation and cultural activities.**
 - (1) Provide a rich and exciting diversity of uses in the core area by creating a mix of retail, entertainment, hotel, recreation, residential, office, and public use space.
 - (2) Provide uses that draw people seven days a week during the day and evening hours.
 - (3) Build on the assets of the community, including its economic and ethnic diversity.

- b. Make downtown a convenient, safe and attractive place to live and work.**
 - (1) Demonstrate high quality in design, materials, and uses in all development projects.
 - (2) Provide for a variety of amenities, public use areas, open spaces and services to satisfy the needs of both the local community and visitors/employees in downtown.
 - (3) Create human scale design at the street level of all new development projects.
 - (4) Foster active street life by promoting pedestrian movement on public sidewalks.

- c. Preserve the surrounding residential neighborhoods.**
 - (1) Provide appropriate buffering and transitions to surrounding neighborhoods.
 - (2) Deter cut-through traffic and spill-over parking in the surrounding neighborhoods.

d. Strengthen the role of downtown Silver Spring as a center of commerce and employment.

- (1) Redevelopment in the Urban Renewal Area should complement other commercial areas in downtown.
- (2) Provide a variety of amenities and services to support businesses in the CBD.
- (3) Enhance the image of downtown Silver Spring as a safe, accessible, attractive, and prosperous location for business.
- (4) Provide opportunities for local businesses in the redevelopment projects.
- (5) Expand the tax base of the Silver Spring Urban District and Parking Lot District.

e. Minimize public risks and costs in the implementation of the Urban Renewal Plan.

- (6) Maximize the return on the public investment in the Urban Renewal Area by requiring any proposed project to be part of a comprehensive redevelopment approach to the Urban Renewal Area.
- (7) Redevelopment projects should attract markets that will inject “new” dollars into the downtown economy and generate “new” tax revenues for Montgomery County and the State of Maryland.
- (8) Demonstrate market interest and the economic viability of development projects through requirements for pre-leasing.
- (9) Ensure the financial reliability of development through pledges of private equity and appropriate levels of private financial commitment as projects proceed through the development process.

f. Optimize the use of public facilities and preserve the public investment in the infrastructure in downtown Silver Spring.

- (10) Ensure there is an appropriate balance between potential new development and the capacity of the road network.
- (11) Concentrate high density uses around the Silver Spring Transit Center.
- (12) Provide for enhanced links between the development projects in the Urban Renewal Area and the Transit Center.
- (13) Enhance the pedestrian environment in the Urban Renewal Projects to encourage pedestrians to walk between the surrounding neighborhoods and the Transit Center.

- (14) Provide sufficient parking to bolster the economic success of the redevelopment projects while encouraging the use of existing parking facilities and transit services in the CBD.

e. Recognize preservation of historic sites as an integral and positive part of the redevelopment of downtown while appropriately balancing the integration or adaptive reuse of these sites into the redevelopment projects.

- (1) The reuse of historic sites should ensure that the building will be appropriately preserved and maintained over the long-term by giving the building a viable function.
- (2) Adaptive reuse of a historic building or new construction around an historic site should be accomplished in a manner that is sensitive to, and preserves, the features which contribute to its significance.
- (3) Significant changes to the setting or location of historic buildings should be made only after balancing the impact on the historic building with the economic necessity to the redevelopment project and its contribution to achieving the goals of the Urban Renewal Plan and the Sector Plan.

B. Relationship to the Silver Spring CBD Sector Plan

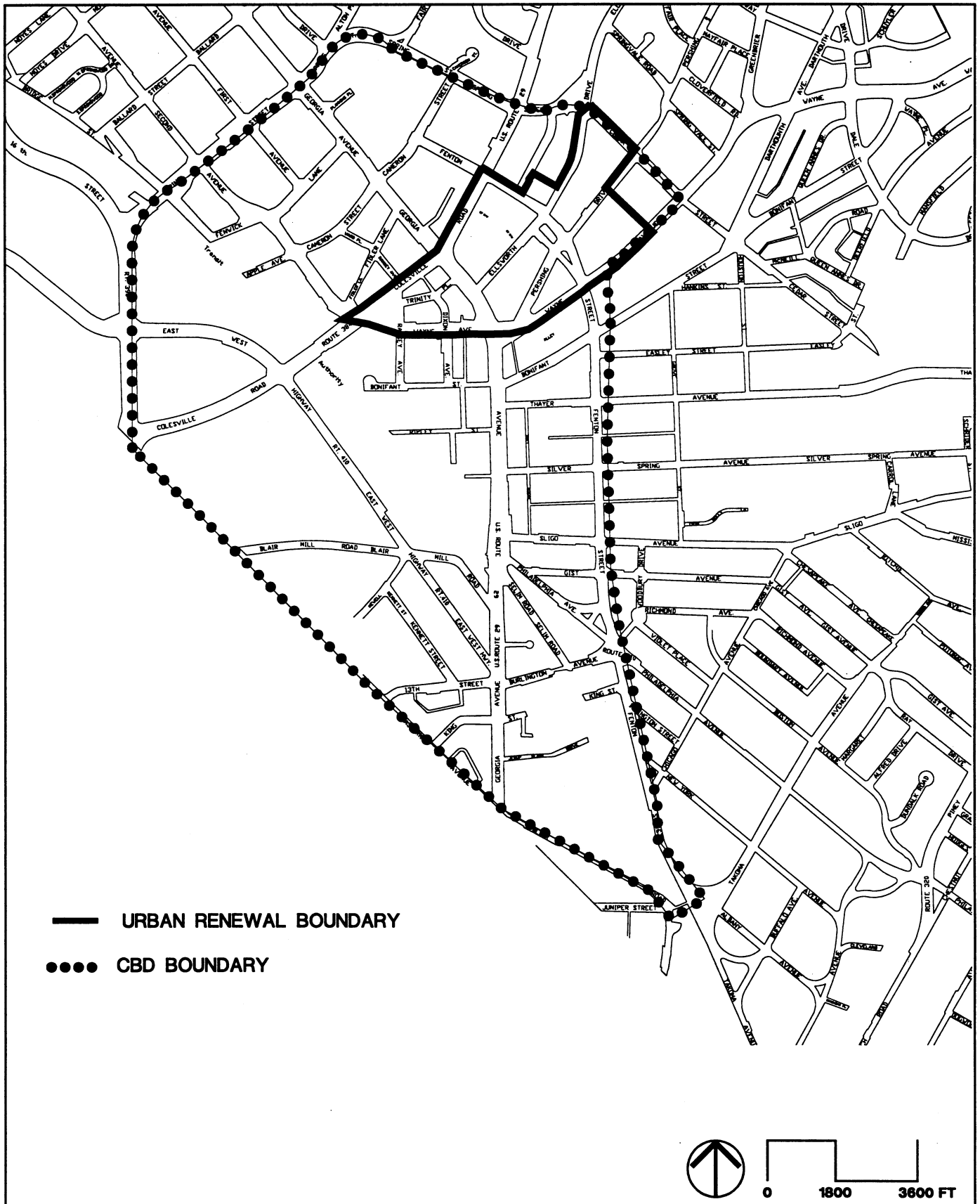
The Urban Renewal Area is located within the Core and Cedar Street districts, as defined by the Approved and Adopted Silver Spring Central Business District Sector Plan. (See Figure I-1) The Urban Renewal Plan complements the Sector Plan by providing land use recommendations and design guidelines that foster and promote the orderly development, redevelopment and rehabilitation of property within the Urban Renewal Area. The Urban Renewal Plan sets forth the development criteria for project plans, subdivision plans, and site plans that the Planning Board would need for a finding of conformance with this Plan.

The Urban Renewal Plan confirms the goals of the Silver Spring Sector Plan and further provides strategies to accomplish those goals. It refers to the Sector Plan on such subjects as transportation, historic preservation, and streetscaping. The Plan describes a development envelope and provides design criteria to guide development within the Urban Renewal Area. Proposed text amendments to the Zoning Ordinance will require conformance to these guidelines for all development within the Urban Renewal Area. The Urban Renewal Plan, therefore, is the primary public policy document guiding the redevelopment and future use of the Urban Renewal Area.

The Urban Renewal Plan incorporates in whole or in part, by reference, the requirements of the Annual Growth Policy, Capital Improvements Plan, General Plan, Local Area Transportation Review Standards, Master Plan for Historic Preservation, Streetscaping Plan, Traffic Management Program, and the Zoning Ordinance.

CBD BOUNDARY WITH URBAN RENEWAL AREA

FIGURE 3



C. The Expanded Urban Renewal Area Boundary

On April 28, 1992, by Resolution No. 12-634, the County Council declared a portion of downtown Silver Spring as blighted under the County Urban Renewal law and designated the area as the Silver Spring Retail Redevelopment Project. This 29.7 acre area was configured to accommodate the proposed Silver Triangle Shopping Center and Office projects.

1. The Expanded Urban Renewal Area

The County Council has made a finding of blight in the expanded Urban Renewal Area based on the documentation of the conditions in the Urban Renewal Area. A list of all the properties included in the expanded Urban Renewal Area is attached to this Plan as Appendix A.

Figure I-2 shows two areas on the legend:

- a. The solid line indicates the Urban Renewal Area established by County Council Resolution No. 12-634 adopted on April 28, 1992. This area was divided into two parts in the Urban Renewal Plan established by County Council Resolution No. 12-801 adopted on August 4, 1992. Part I is the area that was proposed for the retail shopping center project east of Georgia Avenue and Part II is the site of the proposed office project west of Georgia Avenue. All but four parcels in Part I have been acquired by the County through the Silver Spring Redevelopment Office. Substantially all of the land in Part II is owned by Triangle MLP Limited Partnership.
- b. The dashed line indicates the expanded area for potential redevelopment. This expanded Urban Renewal Area adds approximately 10 acres to Part I for a total of about 24 acres with the additional properties.

2. Properties Included in the Expanded Urban Renewal Area

The Urban Renewal Area is being expanded for several reasons specific to each of the properties being included. The expansion will provide more flexibility for the design of the redevelopment project(s) and will permit proposals to be more responsive to the market on an expanded site to accommodate larger retail stores.

Expanding the Urban Renewal Area should reduce the pressure to relocate the Armory. The Armory cuts into the heart of the Urban Renewal Area making it more difficult to accommodate the larger footprint uses. The Armory also separates Lot 19, owned by the County's Parking Lot District, from the rest of the site west of Fenton Street, leaving a redevelopment parcel that may be difficult to develop considering the need to set back from St. Michael's Church and the building massing limitations necessary on that side of the project.

a. Enhanced Utilization of Publicly Owned Parking Facilities -

The County owns the majority of the additional property in the expanded Urban Renewal Area. (see Figure I-3.) Adding Parking Lots 1 and 1A located east of Fenton Street and north of Pershing Drive creates the potential for a larger, more developable site on that side of Fenton Street. The redevelopment of this area would allow for enhanced utilization of publicly owned property with mixed-use or residential development.

It may not be necessary to include Parking Lots 1 and 1A in a redevelopment project, but it does give more options and flexibility for the potential redevelopment of this area. If this parking structure is included in a redevelopment project, the parking would need to be replaced, creating an opportunity to construct a facility that is designed to accommodate the uses of the project. Extending the Urban Renewal Area to Cedar Street will require special consideration of the appropriate land uses and design guidelines to assure that the redevelopment is compatible with the residential neighborhood to the east of Cedar Street.

b. City Place

City Place is a value oriented multi-level shopping mall located at the intersection of Fenton Street and Colesville Road. It is the only parcel in the blocks bounded by Colesville Road, Fenton Street, Wayne Avenue, and Georgia Avenue that was not included in the Urban Renewal Area designated by the County Council in April, 1992. City Place was originally developed under the assumption that a major retail project would be developed adjacent to it. In fact, the building was designed to allow for a physical connection between City Place and the adjacent retail project. The retail oriented mixed-use project should be designed to complement City Place so,

together the two projects can create a critical mass or synergy that could more effectively recapture the retail market for downtown.

The owners of City Place have requested to be included in the Urban Renewal Area. City Place is not blighted and its inclusion in the Urban Renewal Area does not indicate that the County is labeling it as blighted. While there is no intention in this Plan for the County to acquire City Place, including it in the URA could help the County to facilitate the coordination and close relationship between the redevelopment project and City Place

c. Buildings at the Corner of Fenton Street and Pershing Drive

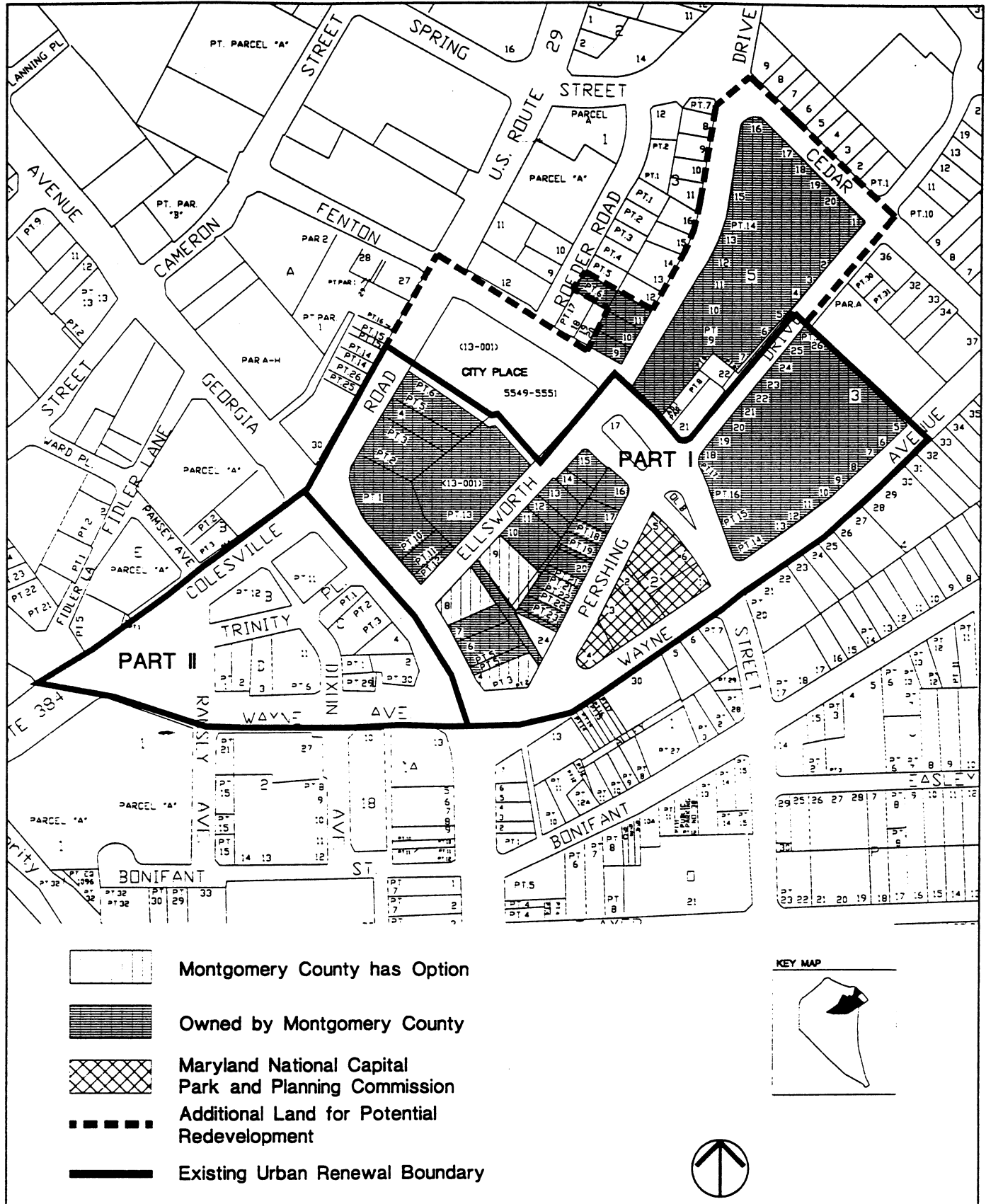
There are two private properties at the corner of Fenton Street and Pershing Drive that are being added to the URA by this amendment. The Citizens Savings Bank headquarters was moved to Gaithersburg several years ago, maintaining a branch bank at the Fenton Street location. This three-story building is for sale. While the building needs to be renovated and updated to meet ADA requirements for handicapped access and current office space standards, the building is in fair condition.

The Hewitt Building adjacent to the north of the Citizens Savings Bank building is a two story structure that is occupied on the first floor by the County Liquor Store, two other small retail businesses and a meeting place for a religious organization. This building is in poor condition.

These two properties are in the middle of the Urban Renewal Area and, if left in place, would make the integration of the redevelopment project(s) very difficult. Including these properties in the Urban Renewal Area and acquiring them would allow greater flexibility for the redevelopment of the area east of Fenton Street and the integration or linkage of this area to the redevelopment project(s) on the west side of Fenton Street. For Fenton Street to realize its role as a significant and active street in downtown, the connection from Colesville Road to the Fenton Street Village area south of Wayne Avenue must be maintained and strengthened by redeveloping both sides of the street within the Urban Renewal Area. Fenton Street is the only street within the Urban Renewal Area that is required to stay open and no consideration will be give to closing Fenton Street.

OWNERSHIP WITHIN URBAN RENEWAL AREA

FIGURE I-3



d. Public Rights-of-Way

The public rights-of-way within and adjacent to the Urban Renewal Area have been included within the area's boundary. Including the adjacent rights-of-way in the Area will allow any improvements to the utilities, roadways, intersections, or streetscape on the project side of the street or on the opposite side of the street which are located in the rights-of-way to be included in the financing which may need to be funded through a mechanism unique to the County's Urban Renewal law. This capability under Urban Renewal may be important for these improvements to be made as a part of the redevelopment project(s). Including the rights-of way in the Urban Renewal Area will have no effect on the adjacent private properties that are outside the Urban Renewal Area boundaries except to allow for potential improvements to be made within the rights-or-way.

3. Eliminate Additional Blighted Properties

"Blighted Area shall mean an area in which a majority of buildings have declined in productivity by reason of obsolescence, depreciation, or other causes to an extent they no longer justify fundamental repairs and adequate maintenance." *Chapter 56, Montgomery County Code*

- a. The County Council designated the original portion of the Urban Renewal Area as a blighted area by County Council Resolution No. 12-634 adopted on April 28, 1992.
- b. The bases of blight as defined in the County Code is a decline in productivity. The decline in productivity can be demonstrated by a decline in rents, an increase in vacancies, lower returns on investment, decline in market value or assessed value, or a decline in tax base.
- c. Obsolescence and depreciation are generally defined as the loss of property value due to:
 - (1) physical obsolescence - problems due to age, wear and tear;
 - (2) functional obsolescence - problems due to design features that do not represent current building standards, including inadequacies and absence of desired features; or
 - (3) external obsolescence - problems due to negative influence outside the property itself such as adverse locational or economic factors.

II. DEVELOPMENT TRENDS AND OPPORTUNITIES

The potential for the revitalization of downtown Silver Spring and the redevelopment of its core is a function of internal and external conditions and dynamics from the local — downtown — to the regional level. It is important to identify these conditions and dynamics and try to understand how they impact on downtown and its future.

A. Economic and Physical Conditions of Downtown Silver Spring

Downtown Silver Spring is the largest and oldest Central Business District (CBD) in Montgomery County. Founded in the mid-1840's, Silver Spring experienced significant growth in the late 1920's and early 1930's when several new industrial and commercial enterprises clustered along Georgia Avenue and the B&O rail line. A second wave of development occurred in the late 1930's with the construction in 1938 of the Silver Spring Shopping Center and Silver Theater at Georgia Avenue and Colesville Road, and continuing into the 1940's with the construction of the Hecht Company building in 1946. The subsequent development of new retail and service outlets, supported by a system of public parking lots, helped Silver Spring become a thriving commercial center serving both the Montgomery County suburbs and the middle and upper income areas of northwest Washington.

In the late 1960's Silver Spring experienced a development boom that altered its skyline permanently. High-rise office buildings, hotels, and apartment houses were built on the fringes of the original business center. Downtown Silver Spring became a regional employment center.

This period of prosperity was to be short-lived, however. New regional shopping centers attracted shoppers away from Silver Spring. The Hecht Company and J. C. Penney eventually left Silver Spring and other retailers closed their businesses. Vacant storefronts popped up throughout downtown Silver Spring. Even the opening of the Metro station in 1978 was not enough to stop the decline of Silver Spring as a commercial center.

Downtown Silver Spring has benefited from a few pockets of post-1982 construction, mainly in the form of new office and residential construction near the Metro station. There continues to be few shopping opportunities and little activity outside of normal office hours.

1. Land Uses

The total area of the CBD is approximately 268 acres excluding roads and rights-of-way. Downtown Silver Spring has about 6.2 million square feet of office development and 2 million square feet of retail space. Most of the

office space is in high-rise buildings primarily located from along Wayne Avenue to the north with newer office buildings concentrated around the Metro station. Retail uses, on the other hand is spread throughout a large area of the CBD. The lack of commercial concentration (with the exception of City Place) in the CBD makes much of the area less pedestrian oriented. The retail activity in the CBD is unfocused and lacks the anchor activities necessary to draw people into much of downtown. This results in low volumes of customers or traffic to adequately support the small retail stores scattered throughout the CBD.

Almost all of the 5,298 housing units in the CBD are in multi-family structures with more than 70 percent of these units in high-rise buildings. About 20 percent of the CBD land area is dedicated to residential use. Most of the housing stock in the CBD was constructed between 1936 and the 1960s with only two new residential projects constructed during the past decade. Both of these projects had some form of public financing assistance. There are nearly 1,800 residential units approved for construction in the Silver Spring CBD. Most of these projects have been on the drawing board for many years but have not moved forward.

2. Transportation

a. Transit: Downtown Silver Spring is a major transportation hub with a MARC commuter rail station, a Metrorail Red Line station and the major Metrobus and Ride-On terminal in Montgomery County with 160 buses during the peak hour. This gives the CBD a significant non-auto capacity that enhances accessibility to the region including a short ride on Metro to downtown Washington. The average daily riders on the Metro rail using the Silver Spring Transit Center is about 20,900. An average of nearly 29,000 riders board Metro and Ride-on busses every day in the Transit Center. This is about 50,000 average daily trips into and out of the CBD using transit services. These riders represent a significant volume of people passing through downtown every day and a significant market that should be captured by downtown businesses.

These transit resources and aggressive traffic mitigation programs implemented by the Silver Spring Transportation System Management District have resulted in 47 percent of commuters into the CBD using alternative transportation modes (i.e. non-single occupancy vehicles) in the morning peak hour, giving the downtown area the highest level of transit use of any area in the County.

b. Roadway Access: The primary two roadways into downtown Silver Spring from the northern part of the County and from the Beltway (I-495) are Georgia Avenue, which continues south into Washington, D.C., and Colesville Road which is U.S. Route 29. Access from the south into the CBD is via 16th Street and Georgia Avenue from Washington, D.C. Philadelphia Avenue and Fenton Street provide access from Takoma Park to the southeast.

Georgia Avenue and Colesville Road carry the greatest volumes of traffic in downtown Silver Spring. The intersection of these two roads carried a total AM peak hour traffic of 5,639 vehicles and a PM peak hour total of 6,470 vehicles in the Fall of 1995. The additional traffic from existing vacant space and approved, but unbuilt, projects, along with future traffic from development in the Urban Renewal Area is a critical part of the planning for the CBD and the redevelopment of the downtown area. Traffic capacity on downtown streets and an evaluation of acceptable levels of congestion for this urban center were evaluated in the 1993 Silver Spring CBD Sector Plan. Standards for roadways and intersections in downtown Silver Spring are established in the County's Annual Growth Policy.

c. Parking: Of the approximately 22,419 total parking spaces in the Silver Spring CBD, 11,444 (51 %) are public parking spaces provided on-street or in public facilities. 552 of these public spaces are set aside for Metro use. All of the public parking facilities are operated by the Silver Spring Parking Lot District. In late 1995 over half of the public parking spaces were not being used. This under-utilization of the public parking facilities is having a significant impact on the revenues of the Parking Lot District, making it difficult to maintain an adequate level of services, including maintenance and security of the facilities.

3. Silver Spring CBD Market Conditions

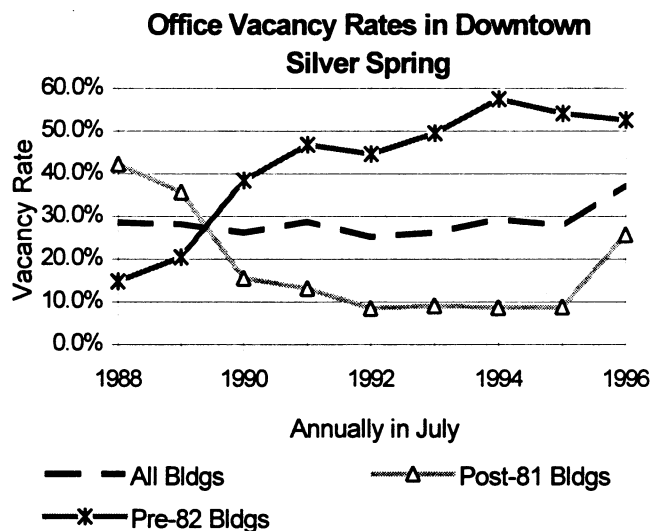
An overview of the downtown Silver Spring market by real estate product type follows:

a. Office: There is nearly 2.7 million square feet of Class A office space in downtown Silver Spring. This is about 58 percent of all the office space in the CBD. The vacancy rate for office space in downtown Silver Spring has been over 25 percent for the past eight years. As of July, 1996, vacancies were at 37 percent, the highest vacancy rate of any significant office submarket in the Washington region and significantly higher than the vacancy rate of 17.3 percent Countywide.

After the building boom of the late 1980s, the rent on the abundant new office space came down. Tenants in older buildings began to move up to the higher quality space for not much more rent than they paid in the older space. The absorption of new space in downtown Silver Spring has kept the vacancy rate for the Class A space below single digits from 1992 to 1995 as shown in Figure II-1.

Therefore, the high office vacancy rate in downtown Silver Spring over the past few years has been explained primarily by the high inventory of older office buildings in the CBD. 42 percent of downtown Silver Spring office space was built before 1982. The vacancy rate for the pre-1982 office buildings increased substantially from 14.7 percent in 1988 to a vacancy rate of over 38 percent two years later. By 1993, the older office buildings had reached a vacancy rate of 50 percent and has remained over that level ever since. About one million square feet or 52.5 percent of the pre-1982 office space was reported vacant in July, 1996. 714,000 square feet of this vacant space is located in five older buildings in the CBD that are 100 percent vacant.

Figure II-1.



Source: Spaulding Slye Reports and M-NCPPC Research Division

The Silver Spring CBD office market had a negative absorption rate over the last year of more than 422,000 square feet. The greatest decline in occupied space during the year ending in July, 1996, was in the inventory of newer office buildings, constructed since 1981. These newer office buildings had a vacancy rate of over 25 percent last July.

This is due to the loss of several large tenants including AT&T (245,000 SF), Orkand Corporation (38,000 SF), the fundraising unit of Children's Hospital (42,000 SF), and Bell Atlantic (45,000 SF). Several businesses made relocation decisions in the same year, and by next year this Class A space should be reabsorbed.

The high level of negative absorption (-453,338 square feet) of newer office space during the year ending in July, 1996, however, could be an indication of a more pervasive image problem. The perception of crime, homelessness, deterioration of older buildings, limited amenities, and retail services in downtown Silver Spring has created an image of downtown Silver Spring as a poor business location. The comprehensive revitalization effort should be directed at changing this image through, promotions and marketing, physical improvements and beautification projects, and through more intensive security efforts throughout downtown.

As the market tightens in Northern Virginia, the market should turn to downtown Silver Spring for office space. In a December 13, 1996, article in the *Montgomery Gazette* several commercial brokers made comments on the high level of activity in the Silver Spring office market over the past few months. According to one broker, "There is no other space of this type around the Beltway. There is no Class A space on a Metro line where you can find 50,000 square feet of space."

b. Retail: Downtown Silver Spring was the dominant retail center in Montgomery County from the late 1930s until the 1960s. As newer shopping centers developed further out in the suburbs, downtown Silver Spring's share of the market began to decline. The growth in retail sales volume (in '95 dollars adjusted for changing price levels) slowed significantly from 1963 to 1972 rising by only 13 percent in downtown Silver Spring, much lower than the 90 percent increase in sales volume in Montgomery County and 64 percent growth in the region.

The volume of retail sales (adjusted to 1995 dollars) has declined dramatically in downtown Silver Spring from 1972 to 1995. Sales fell by 34 percent in real dollars from 1972 to 1977 and then continued to decline, showing a 40 percent drop from 1977 to 1995. Overall adjusted retail sales volume fell by 24 percent in the Silver Spring CBD during the 13-year period from 1982 to 1995, compared to a 43 percent increase in sales volume countywide and a 61 percent increase for the region (Washington Metropolitan Statistical Area).

While sales volume declined over the past several years, the number of retail businesses in downtown has increased. In 1972 there were 219 retail establishments in the area. In 1995 there were an estimated 270 retail businesses. This would indicate that the average volume of sales for the retail businesses in downtown Silver Spring has dramatically decreased. Many of these businesses are operating on a very thin profit margin and find it difficult to survive when the business cycle is slow or when regional economic difficulties, such as the closure of the Federal Government and the extreme weather last winter, create an economic downturn in the region's economy.

Retail uses in downtown Silver Spring span a wide spectrum of quality and design. The largest retail project in the CBD is City Place Mall on Colesville road at Fenton Street. This new construction and adaptive reuse of the former Hecht Company department store opened in 1992 as a five-level, enclosed mall anchored by Nordstrom's Rack, Marshalls and Ross Dress for Less stores. In addition, a Burlington Coat Factory outlet is scheduled to open in March, 1997. City Place also has numerous small stores, a food court, and a 10-screen movie theater for a total of more than 325,000 square feet of leasable area. City Place continues to have a high vacancy rate after being open more than four years.

The tenant mix of City Place is primarily off-price and value oriented retail stores. The project was designed to physically connect with a larger retail project proposed to be developed in the same block. Although City Place offers new retail opportunities, it is unlikely that City Place alone will be enough to reverse the decline of retail in the CBD. In fact, the likelihood of City Place thriving is reduced by the lack of surrounding redevelopment to support it.

Caldor, a major discount department store, has recently opened a new 133,000 square foot store in south Silver Spring. Other major retail activities in downtown include two major grocery stores and some strip retail development. Most of the remaining retail space in the CBD is comprised of small-to-medium sized stores and restaurants which serve the area's office tenants and nearby residents. This retail space is scattered through the CBD, located on the first floor of office and residential buildings or in older one and two story buildings facing the streets around the CBD.

A 1993 retail inventory by the Montgomery County Department of Economic Development indicated a 30 percent vacancy rate for retail space in downtown. Some of this space was in the buildings to be

purchased by the County in the Urban Renewal Area. Much of the vacant space could also be considered as functionally or physically obsolete. However, there is considerable vacant retail space in the first floor of several downtown office buildings

c. Hotels: There are five hotels in the general vicinity of downtown Silver Spring. These hotels, built between 1955 and 1989, have a total of 896 rooms. In a report, Hotel Impact Analysis, completed by Basile Baumann Prost & Associates, Inc. in December, 1995, the average annual occupancy rate was reported at 62.6 percent and the average daily room rate was approximately \$64.40 in the Silver Spring hotels. While no new hotel development has occurred in downtown in the last seven years. There has recently been an extensive renovation of the Holiday Inn Hotel on Georgia Avenue that was a \$5 million reinvestment in this facility.

The largest segment of the business for these hotels (44 percent) was from commercial travelers doing business with existing civilian and government employment centers in Silver Spring. Another 36 percent of the room occupancy is from transient or leisure business, while the remaining 20 percent is from overnight stays for group meetings and related functions. There is "leakage" from the Silver Spring market place to other area hotels, particularly in Bethesda. However, this "leakage" factor would be inadequate demand, assuming it could be recaptured, to support a new hotel in the CBD. There is a need for medium to large meeting space in downtown which is an important amenity for office uses. It would also be of use to the community for social functions.

There are currently no hotel demand generators in downtown Silver Spring. There are an estimated 18.5 million visitors annually to the Washington, D.C. area creating a significant regional demand for hotel rooms. A new hotel in downtown Silver Spring would need to be associated with a project that could capture a segment of this regional demand for hotel rooms. Such a project would have to include attractions that could draw from the large tourist market already coming into the Washington area, estimated at 12.4 to 13.5 million pleasure visitors annually.

d. Industrial: Over 400,000 square feet of industrial space is located within the CBD. Major facilities include the Giant Food Bakery on the north side of Jesup Blair Drive and the Canada Dry bottling plant on East-West Highway. Most of the remaining industrial

space represents small to medium sized warehouses and auto repair facilities. The Silver Spring CBD Sector Plan recommended conversion of some of the industrial enclaves around Ripley Street and along East-West Highway just off Georgia Avenue to residential or mixed-use developments.

e. Housing in Downtown Silver Spring: There are 5,298 residential units in downtown Silver Spring. About 96 percent (5,063 units) of these residences are in high-rise and mid-rise buildings. The Montgomery County Department of Housing and Community Affairs surveyed all County apartment buildings with 25 units or more in April, 1996. Based on this data, the vacancy rate for housing in the Silver Spring CBD is only 2.6 percent compared to a 3.9 percent vacancy rate for the Silver Spring- Takoma Park market area and a 4.4 percent countywide vacancy rate. This would indicate that demand for housing in downtown Silver Spring is strong.

Rents for housing units are a function of several factors including: age of building, size (number of bedrooms) of unit, location, amenities, etc. On an aggregate level, the rents (see Table II-1) in downtown Silver Spring seem to be strong, higher than either the average rent in the Silver Spring/Takoma Park market or countywide. This is another indication of strong demand for housing in the Silver Spring CBD.

Table II-1. Market Area Comparison for Residential Apartments

Market Area	Total Units*	Vacancy Rate	Average Rent
Silver Spring CBD	5,063	2.6 %	\$797
SS/Takoma Park#	14,764	3.9 %	\$718
Montgomery County#	58,031	4.4 %	\$780

* Units in projects of 25 units or more. # Non- Subsidized Units Only.

Source: Montgomery County Department of Housing and Community Affairs, Division of Community Affairs, *1996 Rental Vacancy Report*.

A detailed look at rents and vacancies in downtown Silver Spring (see Table II-2) indicates that average rents are higher in high-rise buildings for one, two, and three bedroom units. This higher rent is, in part, a function of the higher cost for high-rise construction. It is not explained by a higher demand for high-rise apartments since it should also be noted that the vacancy rates are higher for units in high-rise buildings.

Table II-2. Downtown Housing Analysis by Apartment Size and Building Type

Unit Size	All Downtown Units*			High-Rise Units*			Mid-Rise Units*		
	Units	Vacancy	Rent	Units	Vacancy	Rent	Units	Vacancy	Rent
Effic.	777	2.2 %	\$586	741	2.3 %	\$584	36	0.0 %	\$623
1 BR	2,377	2.9 %	\$745	1,984	3.1 %	\$747	393	1.8 %	\$736
2 BR	1,548	2.9 %	\$921	957	4.0 %	\$952	591	1.2 %	\$872
3 BR	338	0.6 %	\$1,062	62	0.0 %	\$1,265	276	0.7 %	\$1,016
4 BR	23	0.0%	\$1,148	0	0.0 %	\$0	23	0.0 %	\$1,148
Total	5,063	2.6 %	\$797	3,744	3.1 %	\$775	1,319	1.2 %	\$860

* Units in projects of 25 units or more. Source: Montgomery County Department of Housing and Community Affairs, Division of Community Affairs.

f. Surrounding Residential Neighborhoods: The neighborhoods around downtown have remained very stable and maintained their value. Development to the north and east of downtown consists primarily of detached single family homes, while development to the south and west of downtown is a mix of detached single family homes and apartments. Most of the residential areas adjoining the CBD were built between the 1930s and 1950s.

In 1990, about 46 percent of all occupied units within 5 miles of the CBD were renter occupied. The 1990 median housing value in this area was \$172,757 compared to the Montgomery County median housing value of \$200,764. In October, 1995, the M-NCPPC completed an analysis of residential sales prices in the Silver Spring planning area outside the CBD. The average sales price for existing single family detached homes in Silver Spring increased by 31.5 percent between 1988 and 1994 (\$216,699) while the average sales price for existing single family detached homes in the County increased by 25.5 percent during the same period (\$286,407 in 1994). The lower housing price in the Silver Spring area is a function of the size and age of residential units compared to areas of the County to the north. The greater average increase in value of single family homes would indicate that demand for housing in the greater Silver Spring area remains strong.

g. Other Market Indicators:

- New Development Slows Down: Construction of commercial space in downtown Silver Spring since 1990 has been slower than during the last half of the 1980s when over 2.25 million SF of new

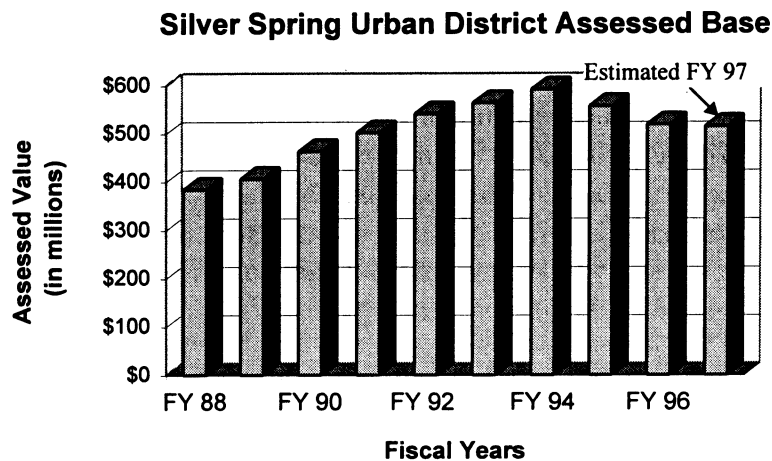
office was constructed. Since 1990, less than one million square feet of commercial space has been constructed including, NOAA, Phase III (office 426,000 SF), City Place (retail 350,000 SF), Caldor (retail 133,290 SF). Alexander House (311 units) and Lenox Park (406 units) were the only residential units built since 1990.

Several proposed projects in the CBD have been inactive since their approval by the Montgomery County Planning Board, with a few project approvals actually expiring because they did not proceed to construction. The projects with approvals that have expired include the residential, office and retail project on the CSX site (593 residential units, office 44,000 SF, and retail 6,000 SF), the Apple Metro Plaza office project (160,000 SF), the office development above City Place (146,000 SF), and the Sheraton Suites at Metro (609 hotel rooms, office 15,000 SF).

Only two significant commercial projects remain in the pipeline of approved projects. The Silver Triangle Office project (located in the Urban Renewal Area) will include 650,000 square feet of office and 23,514 square feet of retail space. The other large commercial project in the pipeline, the Wayne Avenue hotel site (182 room hotel and 3,200 SF retail) was approved over six years ago and remains unbuilt. A small retail project of about 22,000 square feet is currently under construction at the intersection of Colesville Road and East-West Highway. This is a significant under utilization of the CBD-2 zoning which would allow up to 271,000 square feet of commercial floor area.

- Decline in Assessed Value and Tax Base: The Silver Spring Urban District is a special taxing district that provides a higher level of services in downtown Silver Spring and is close to the same geographic area as the CBD. The tax base of the Silver Spring Urban District is a good indicator of the assessed value of the CBD. The tax base of the urban district increased steadily until it peaked in Fiscal Year (FY) 1994 (October 1993 to October 1994) at nearly \$592 million in assessed value. However, the tax base declined by more than 14 percent over the last three fiscal years and is projected to continue its decline in FY 97 to \$515 million in assessed value.

Figure II-2.



Source: Montgomery County Department of Finance

The Silver Spring Parking Lot District, which covers approximately the same properties as the Urban District, has experienced a similar decline in assessed tax base. If this decline in tax base continues, both Districts will be forced to reduce services such as security, landscaping, litter pickup, promotions and marketing, and maintenance. This would cause the image of downtown Silver Spring to deteriorate further and contribute to the continued decline of the largest business district in the County.

B. Downtown Redevelopment Issues

1. Background

a. Sector Plan Land Use Pattern Retained: This Amended Urban Renewal Plan maintains the basic land use pattern established in the Silver Spring CBD Sector Plan for the core of downtown. The portion of the downtown core closest to the Transit Center was identified in the Sector Plan as a more intensive employment area produced by high-rise office projects. A strong retail sector was identified in the Sector Plan as the missing element in downtown Silver Spring. The area east of Georgia Avenue and Colesville Road was historically the retail center of downtown and the Sector Plan reaffirmed this as the appropriate area for redevelopment of a retail center.

b. The Decline of Downtown Retailing: The primary reason downtown areas lose their retail base is the loss of market position. New shopping centers that are more attractive, well managed, and highly promoted capture the market from the older downtown retail area. Shopping center developers control the mix and quality of tenants, as well as the total shopping environment to ensure that the center meets the needs of the market. These retail projects are carefully located to intercept customers on their normal shopping trip. Large shopping centers, designed to effectively attract the retail customer, capture a significant market share within a trade area of roughly a 20 to 30-minute drive and start the cycle of decline in downtown retail areas that lose this market.

Eventually, it becomes more obvious that the selection and quality of retail services in downtown are not as good as they had been. Customers continue to find other places to shop. Downtown sales volumes decline. Businesses move out or fail. Vacancies increase. Businesses that hang on become marginal and fail to keep current with the market. Rents decline. Building maintenance is deferred and the buildings along downtown streets begin to look run-down. Property values slip. Property tax revenues drop-off when the need for public services to the area is at its highest level, these services may be cut-back due to budget constraints from losses in the tax base.

The community and even local businesses may, at first, go into denial that there is a problem. Then there is support for a superficial quick fix that, by itself, does not address the real problem and is ineffective. The downward cycle continues until the impact on the area

can no longer be ignored. If an effective program to turn the area around is not implemented in a timely manner some communities, private investors, brokers, and business interests will write-off the area as impossible or too expensive to fix. This cycle of decline has been observed in CBDs across the country and is the partner that is occurring in downtown Silver Spring.

c. A Strategic Plan for Revitalization: The approach to revitalization must be a strategic effort to recapture the lost market or find a new market for the retail area. This effort must identify the opportunities (strengths) and obstacles (weaknesses) evident in the retail area and the economic environment of the trade area, retail industry trends. The strategy should take advantage of the opportunities and determine how to overcome or mitigate the obstacles. Successful revitalization usually takes a great deal of time, effort and money from both the public and private sector.

2. Opportunities

a. Strong Base of Class A Office Space: Downtown Silver Spring has a strong base of Class A office buildings. The 2.7 million square feet of quality office space located in a compact area near the Transit Center establishes downtown as a significant urban employment center in the Washington region.

b. Transportation Resources and Access: In the County's Annual Growth Policy, the Silver Spring CBD has the highest Regional Transit Accessibility score of any policy area in the County. This means downtown Silver Spring has more transit resources, that residents in downtown have better access to jobs and the jobs in downtown are more accessible to County residents than in any other area in the County.

- **Public Transit Resources-** Downtown Silver Spring has a major Transit Center with a Metrorail Red Line station, and the largest Metrobus and Ride-On terminal in Montgomery County with 160 buses during the peak hour. A MARC commuter rail station will soon be relocated from south Silver Spring to the expanded Transit Center. The Urban Renewal Area is across Wayne Avenue from the Transit Center. The retail portion of the Urban Renewal Area is only 1,200 feet from the Transit Center. There are about 50,000 trips in and out of downtown using these transit services on an average weekday.

- Public Control of Parking Resources- The Silver Spring Parking Lot District controls just over half of downtown's parking spaces. The policy of the Parking District is to restrict the availability of long-term parking spaces to encourage commuters to use alternative modes of transportation to work. In addition, parking management tactics are employed by the District to maximize parking available to meet the needs of shoppers, diners, visitors, and other short-term parking needs in downtown Silver Spring.
- Transportation System Management District (TSMD)- The Silver Spring Transportation System Management District was created by the County Council to:
 - reduce the demand for road capacity;
 - promote traffic safety and pedestrian access;
 - reduce existing and future levels of traffic congestion; and
 - reduce noise and air pollution in the Silver Spring CBD and vicinity.

The TSMD program monitors and accesses changing traffic patterns and promotes transit and ridesharing incentives programs to increase usage on non-driver modes of getting to work. The Silver Spring TSMD has been very successful with the CBD having a 37 percent transit mode share, the highest of any policy area in the County. Transit includes all non-auto modes of travel.

- Accessibility- Downtown Silver Spring is Montgomery County's most accessible employment center to Capital Hill, only 12 minutes via Metro. Downtown has a high level of access to the Washington Baltimore Region by rail, transit, and highway. Downtown has two exits off the I-495 Beltway on Georgia Avenue and Colesville Road.

c. Local Higher Education Resources: Institutions of higher education are a real asset to a business area offering training and educational programs for businesses and employees and are an important resource for a well-trained employee base. Montgomery College has a campus adjacent to the Silver Spring CBD south on Fenton Street. Howard University's School of Continuing Education is located in downtown Silver Spring. The University of Maryland is

located to the east of Silver Spring and operates a shuttle bus service to the Metro station in downtown Silver Spring.

d. Access to Significant Trade Areas: There are several potential retail trade areas or markets for a redevelopment project(s) in downtown Silver Spring. Retail projects have the ability to capture a share of these trade areas, with a large market share of the traded areas near the project and a smaller market share for trade areas further away. The ability for a retail center to capture market share for its trade areas is a function of distance, accessibility, visibility, competition, the variety and quality of the stores and attractions in the project, and how well they satisfy the needs and interests of the people in each trade area.

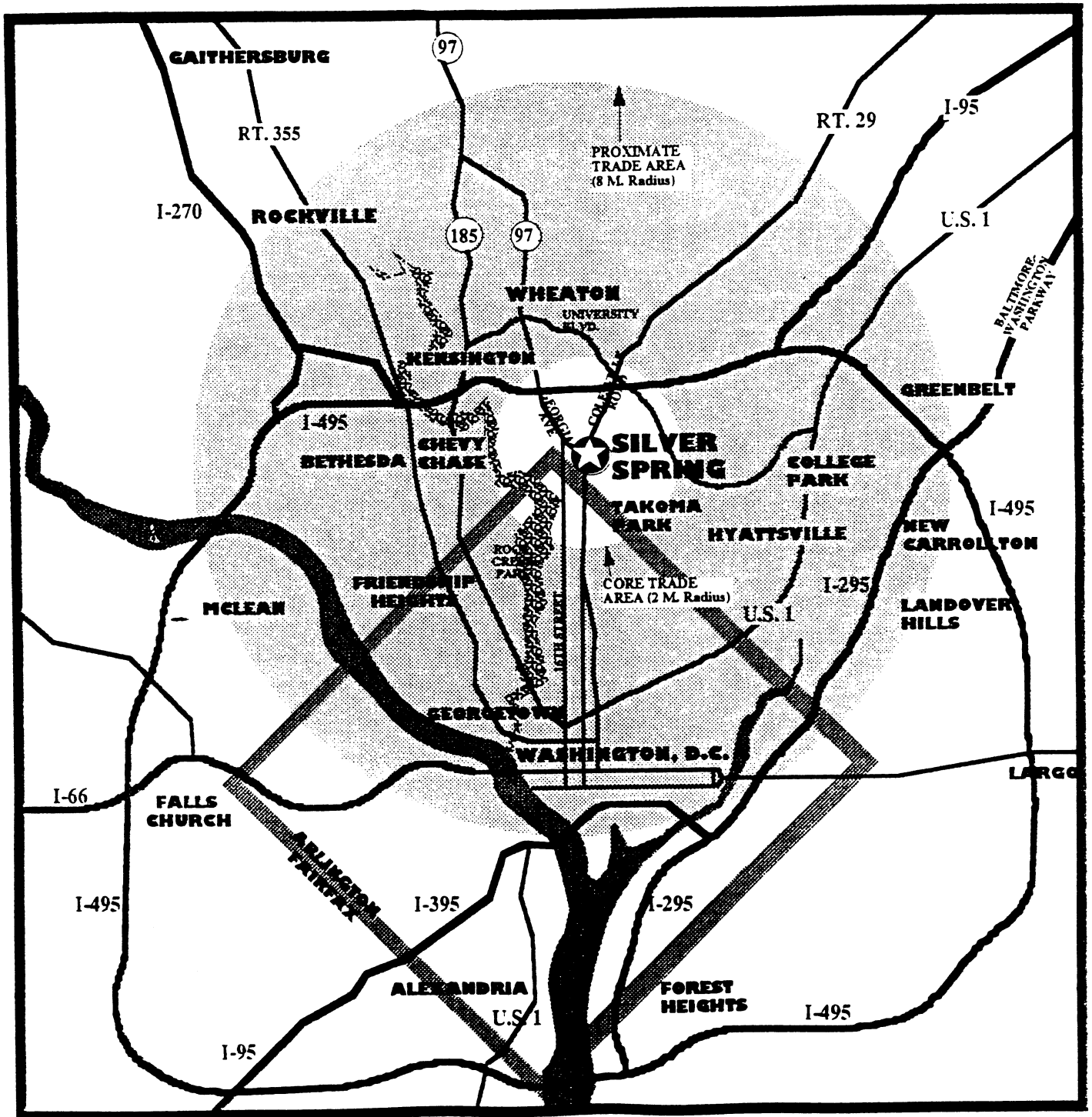
A project should be able to capture a high percentage of the customers in the closest trade area and would expect a higher frequency of visits from this trade area. For a larger project or a project with high-quality specialized stores, this small, close-in trade area, or core market, is inadequate to adequately support these stores. The level of competition from other shopping centers in the Proximate trade area will make it difficult to capture a very significant share of this market. Because of the intensity and quality of the competition, the market share that can be captured by a downtown Silver Spring retail project should be higher in the eastern and southern areas of the Proximate market than in the area to the west of Rock Creek.

The market share that could be captured by the redevelopment project(s) from the Metro and the Day-Trip trade areas is likely to be relatively small and the frequency of visits very low. However, applying a small market share rate to the large number of people in these trade areas would still result in these markets contributing significant support to a redeveloped downtown if the project(s) can be differentiated enough to attract people from these markets to visit downtown.

If the redeveloped and revitalized CBD is to be “Eastern Montgomery County’s Downtown”, then it will also draw market share from northern Prince George’s County and large areas of Washington, DC. For the Silver Spring CBD to sustain its place as a downtown over the long-term, it must also capture a small, but important share of the larger trade areas while still meeting the needs of the customers from the local trade areas to economically support the desired variety and quality of retail stores and attractions.

- **Market Area Definitions:**
 - **Core Market:** Area within two miles of the Urban Renewal Area is the primary trade area composed of the local neighborhoods. Typically this size trade area meets the customer's needs two or three times a week and, in a suburban location, would be a strip center anchored by a grocery store or drug store or a community center typically anchored by a large discount or value oriented retailer;
 - **Proximate Market:** Area within eight miles of the Urban Renewal Area, is the trade area usually served by a power center or department store-anchored shopping mall;
 - **Metro Market:** The Washington, DC metropolitan area. Defined as the Maryland and Virginia counties that, along with the District itself, constitute the Census Bureau's Metropolitan Statistical Area (MSA), and Anne Arundel and Howard Counties which are included because of their proximity to Metro Washington and the Silver Spring Urban Renewal Area; and
 - **Day Trip Market:** The geographic area from which an automobile journey to the URA site can be completed in about two and a half hours or less. This is defined as a 100-mile ring around downtown Silver Spring.
 - **Tourist Market:** The existing base of visitors to the Washington metro area. This is defined as the pleasure visitors to Washington, DC and the surrounding area.

Figure II-3. Map of the Silver Spring Core and Proximate Market Areas



- Demographic Profiles by Market Area:

— **Population-** The table below shows the change in population and the number of households from 1980 to a forecast for 2000. The local markets (Core and Proximate) are declining in population and households while the regional markets (Metro and Day Trip) continue to show growth in population and households. This has important implications to future development of retail projects in downtown which must consider which markets offer the best potential for the long-term.

Table II-3. Population / Households

Market Areas	1980		1990		1995		2000*	
	Pop.	HH	Pop.	HH	Pop.	HH	Pop.	HH
Core	87,400	36,400	89,300	37,000	88,200	36,700	87,900	36,700
Proximate	1,060,000	420,000	1,110,000	449,000	1,090,000	445,000	1,080,000	445,000
Metro	4,000,000	1,300,000	4,800,000	1,600,000	5,200,000	1,700,000	5,500,000	1,800,000
Day Trip	8,700,000		10,000,000		10,600,000		11,100,000	

Source: *American Dream Market Verification Study*, December 1995,
MRA International Inc. & The Richardson Group.

*Forecast

— **Household Income-** The Core market has a significant number of very wealthy households. Almost 43 percent of the households reported a 1989 annual income above \$50,000 — only about 27 percent of all households in the United States reported this level of income. All of the submarkets around downtown Silver Spring are highly affluent when measured in the aggregate and against national benchmarks.

Table II-4. Median Household Income

Market Areas	1989	1995
Core	\$39,618	\$43,191
Proximate	\$42,499	\$48,244
Metro	\$45,877	\$51,166
Day Trip	\$38,570	\$43,533
U.S.	\$30,056	\$32,350

Source: *American Dream Market Verification Study*, December 1995,
MRA International Inc. & The Richardson Group.
(US data is included for comparative purposes and is not
considered a market area.)

— **Educational Attainment-** The markets that could be served by downtown Silver Spring are highly educated. The majority of the adults in each of the submarkets have at least some college education. Educational attainment is critical because it is positively correlated with disposable income, earning potential, and likelihood to patronize education/cultural/ discovery attractions.

Table II-5. Educational Attainment

Educational Attainment*	Market Areas				
	Core	Proximate	Metro	Day Trip	U.S.
No H.S. Grad	15 %	17 %	16 %	21.6 %	19 %
H.S. Grad.	18 %	19 %	23 %	28.8 %	36 %
Some College	19 %	21 %	24 %	22.5 %	23 %
Degree	27 %	22 %	21 %	16.2 %	22 %
Grad./Prof. Degree	22 %	22 %	15 %	10.9 %	

*All data are for 1990 data for persons age 25 and older.

Source: *American Dream Market Verification Study*, December 1995, MRA International Inc. & The Richardson Group.

(US data is included for comparative purposes and is not considered a market area.)

— **Age Profile-** The local markets' population(core and proximate) tends to be older than the regional market population. Children are under represented in the local markets and all of the submarkets are below the national distribution (21 percent) of children in the population. There is a higher concentration of people in their early 30s and Baby Boomer cohorts (age 30 to 54) than in the national population. This distribution of ages will have a significant impact on the potential tenant mix and type of attractions that should be included in any retail project(s) developed in the Urban Renewal Area.

Table II-6. Age Profile

AGE - 1995	Market Areas			
	Core	Proximate	Metro	Day Trip
Median Age	36	35.5	33.7	34.5
Profile (% of market pop.)				
Children (14 & under)	18.2 %	16.0 %	20.8 %	18.6 %
Teens (15 to 19)	4.6 %	6.0 %	6.3 %	3.0 %
Generation X'ers (20 to 29)	15.2 %	15.8 %	16.1 %	14.8 %
Early 30s	9.9 %	8.5 %	9.5 %	8.9 %
Baby Boomers (35 to 54)	33.0 %	27.4 %	31.7 %	14.5 %
Mature Adults (55 to 64)	6.9 %	11.8 %	7.1 %	7.8 %
Senior Citizens (65 & over)	10.8 %	6.1 %	8.8 %	6.7 %

Source: *American Dream Market Verification Study*, December 1995, MRA International Inc. & The Richardson Group.

— **Occupation-** The entire Washington, DC region has a higher concentration of employees in skilled occupations than the national distribution of occupations. The local market areas' (core and proximate) level of skilled occupations is even higher than in the regional market area. These skilled occupations have a positive correlation with higher disposable incomes and buying power.

Table II-7. Occupation

Occupations in 1990*	Market Areas				
	Core	Proximate	Metro	Day Trip	U.S.
Population in Prof'l & Mgmt. fields	43 %	42 %	39 %	32.2 %	23 %
Population in Tech./Sales	30 %	31 %	33 %	32.4 %	28 %
Total Skilled Occup.	73 %	73 %	72 %	64.6 %	51 %

* Most recent year for which data are available.

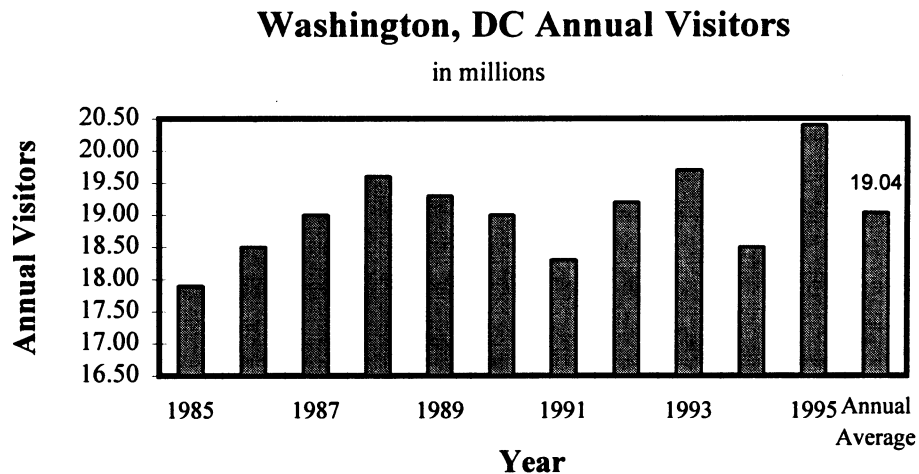
Source: *American Dream Market Verification Study*, December 1995, MRA International Inc. & The Richardson Group.
(US data is included for comparative purposes and is not considered a market area.)

e. Strong Regional Economy:

- Major tourist destination- Washington, DC attracts about 19 million visitors a year. Tourism over the last decade has remained stable and strong. Nearly 1.5 million of these annual visitors are international. About 62 percent (11.2 million) of the domestic visitors come to the Washington area for pleasure and about 6.2 million come for business.

According to a 1995 study by the Greater Washington Research Center, the hospitality industry accounted for about 5 percent of the region's 1994 economy. About 18.6 percent of the dollars spent by visitors to the Washington area are for retail goods. About two-thirds of the total retail expenditures of \$904.3 million are spent by visitors in the suburbs around Washington.

Figure II-4. Annual Visitors to Washington, DC



- Federal Government Underpins Local Economic Base- The largest employer in the Washington Metro Area is the Federal government employing in 1990 almost 15 percent of the employed residents in the region. This is compared to less than 5 percent employed by government (including state and local) in the entire U.S. To provide work places for the Federal employees in the Washington Metro Area, the Federal government currently owns about 40 million square feet of office space and leases another 33 million square feet

for a total of 73 million square feet of office space controlled by the government.

In Montgomery County there are currently 55,155 jobs located in Federal facilities and agencies. This is nearly 12 percent of the total at-place employment in the County. In the 1994 Census Update, 26.3 percent of the residents of Montgomery County were employed by government (including state and local government). The bulk of these residents were employed by the Federal government.

While this high level of government employment in the region has a very stabilizing effect on the local economy, economic diversification and government downsizing are reducing this impact, making the regional economy more subject to the business cycles of the national economy. Economic expansion in the region has been driven by expansion of the Federal government. It is likely that downsizing of the Federal government will continue or growth of the government will, at least, be more flat. Future expansion of the regional economy will need to be generated through other sectors of the economy.

- Diversification of Regional Economy- While the regional economy has been dominated by the activities of the Federal Government, the economy is becoming more diversified and should continue this process as the Federal Government continues to be downsized. In fact, the downsizing process should actually stimulate the diversification process further as the skilled labor force moves into other economic activities like consulting services, research and high-tech development. Future economic diversification should be most apparent in the expansion of:
 - Corporate Headquarters;
 - Medical and Bio-tech Research;
 - Warehousing; and
 - High-tech and Communications.

Montgomery County and downtown Silver Spring already have a significant economic base in these potential areas of economic growth.

- Very Strong Retail Market- The affluence of the Washington, DC MSA is indicated by a very high median Effective Buying Income (EBI) per household. EBI is an analog for disposable income and purchasing power. Based on EBI analysis the Washington region is ranked as the ninth strongest market in the nation.

f. Active Community Involvement: One of Silver Spring's greatest assets is its community activism. The community is well organized based on arenas of interests such as the Greater Silver Spring Chamber of Commerce, local school PTAs, Friends of the Silver Theater, Citizens for Sensible Development, 4R (a redevelopment support group), Gateway Coalition, and active Scouting programs. The surrounding neighborhoods are also very well organized in civic associations that take on local issues, communicate news and information through newsletters, and organize social and community events. There are at least 55 neighborhood civic associations in the greater Silver Spring area, many organized under umbrella associations.

g. County Participation in Redevelopment:

- Land Acquisition and Site Assembly- The County has acquired or controls virtually all of Part I (the retail portion) of the original Urban Renewal Area of 14 acres, and of the area being considered for expansion. The County is currently working with the Maryland Department of Environment to assure the site is environmentally acceptable for redevelopment.
- Financial Participation- The County has budgeted \$38 million and the State of Maryland has allocated \$15 million toward the redevelopment of the Urban Renewal Area for land acquisition, relocation, demolition, and historic preservation. The County Executive has indicated the County will participate in a public/private redevelopment project through tax incentives and would consider other financial incentives.
- Comprehensive Downtown Revitalization Effort- As described in a previous section of this Plan, the County has established a variety of programs and incentives to encourage the revitalization of downtown Silver Spring. The implementation of the Urban Renewal Plan will be coordinated with this downtown revitalization effort to

maximize the positive economic spillover from the Urban Renewal project(s) while strengthening the areas surrounding the projects.

- Public Commitment to Expedite the Redevelopment Process- The Silver Spring Redevelopment Advisory Board expressed concern over the timing of the planning and approval process and in its Final Report to the County Executive recommended: “The County should expedite planning and development approval processes while retaining essential regulatory controls and ample opportunity for public comment.”

The County Executive has accepted this recommendation and has directed Executive Departments to facilitate and expedite any review, as appropriate, including any permitting process while ensuring that any development project complies with all County requirements and regulations.

This Plan recommends that the appropriate County Codes be amended to allow the project plan, subdivision plan, and site plan for redevelopment projects to be submitted to the Planning Board for review and approval as a single “comprehensive development plan”.

- Silver Spring Parking Lot District (PLD) was established to provide an extensive public parking system to serve the Silver Spring CBD. The County’s management of the supply, operation, and parking charges ensures that the system is responsive to the needs of the visitors, employees, employers and businesses, both existing and new, in downtown Silver Spring. The Silver Spring PLD is a self-supporting enterprise fund, and all parking revenues collected within the District must stay in the District. The PLD also uses property taxes paid on properties that do not meet the parking requirements in the County Zoning Ordinance. The PLD is managed, and the parking facilities are located to complement privately owned facilities, not to compete with them. The County is currently reviewing the PLD payment and pricing programs and considering implementation of programs in the CBD which would help promote the economic growth of downtown Silver Spring without adversely affecting the revenues dedicated to the Silver Spring PLD.

3. **Obstacles**

Obstacles to redevelopment should be viewed as hurdles to be overcome, not barriers that can stop the effort to improve the economic success of downtown. Some factors such as location can not be changed but must be part of the consideration of what strategies can be effective and what markets can be attracted to downtown.

a. **Image — Perception Vs Reality**

- **Urban Center in a Suburb-** Silver Spring is an “edge city”, one of the first to develop in the Washington Metro Region. While the commercial core of Silver Spring has most of the urban amenities and characteristics of a downtown, the residential neighborhoods within blocks of Georgia Avenue and Colesville Road are made up of well maintained, stable single family homes or low-rise apartments that are very suburban in character. There is a real dichotomy of perspective — urban vs. suburban — that makes it difficult to develop a consensus on how to redevelop the core of downtown. Continued community participation in the process will give the community the opportunity to evaluate the redevelopment concepts for downtown Silver Spring.
- **Lack of Amenities and Services-** The perception of downtown Silver Spring is that it lacks the amenities and services to meet the needs of the market. “What we really need is a hardware store or good book store or coffee shop.” “Downtown needs more interesting, quality restaurants” The reality is that downtown has or did have many of these desired businesses which indicates the need for a stronger marketing and promotion effort of the businesses and downtown as a shopping area. It is also very important that redevelopment in the Urban Renewal Area not simply capture the market that is already coming to downtown. This would have a severe impact on the local serving businesses that are already in downtown.
- **Building Obsolescence and Physical Condition-** There are a significant number of older buildings in downtown Silver Spring. About 40 percent of the office buildings in the CBD were constructed before 1970. Many of these

buildings are functionally obsolete due to poor locations based on changes in the market, outdated electrical, mechanical, and communication systems, inadequate ceiling heights, poor layout, size and configuration of the floor plate, and lack of amenities that are expected in today's market. There are five high-rise office buildings in downtown that are 100 percent vacant.

Some retail buildings lack adequate access to parking or the available parking is not easily identified by visitor to downtown. This is a real concern for retail businesses. Many of the buildings have obsolete electrical and mechanical systems, poor loading and service areas, and the exterior style of the building looks dated. Empty retail store fronts are very visible to the public because of the large plate glass show windows. Much of the retail space in the first floor of office buildings lacks visibility limiting its access to a greater market. The bulk of the retail space in downtown is in small individual buildings that limit the flexibility for the layout of the retail businesses and constrain the ability for them to expand. In the current retail market, retail space in small buildings is difficult to lease because the market is dominated by larger retailers.

b. Locational Constraints

- Not on the Strongest Corridors - Downtown Silver Spring is not located on the strongest corridors for a commercial center.
 - Regionally, I-95 is the primary route for tourists traveling by automobile from the major cities along the eastern seaboard to the warmer climates and tourist attractions to the south. Downtown Silver Spring is located to the west of the I-95 corridor requiring a higher level of marketing effort and more critical mass of attractions to get the traveling public to detour off I-95 to Silver Spring.
 - At the local level, downtown Silver Spring is located on the Georgia Avenue corridor rather than the more prestigious Wisconsin/ Connecticut Avenue corridors to the west. The Georgia Avenue corridor extending south into Washington, DC, has been identified as an urban

commercial area in decline. Passing through this area of Washington to enter downtown Silver Spring will be seen as a negative factor until this corridor is revitalized. The revitalization of Silver Spring could help start the process to the south along the Georgia Avenue corridor in the District of Columbia. Efforts should be made to work with the District government and encourage improvements to the neighboring commercial area to the south of Silver Spring.

- Geographic Barriers

- Rock Creek Park- There is significant competition to the west of downtown Silver Spring in the form of White Flint Mall, Montgomery Mall and Chevy Chase Pavilion. The presence of these centers and the perceptions of downtown Silver Spring serve to make Rock Creek Park a barrier for local retail traffic making it difficult to attract retail shoppers west of the park. This was recently confirmed by consumer research surveys conducted by Kissel Consulting for City Place and Silver Spring.

- Potomac River- On a more regional level, the level of high quality shopping in Tysons Corner Center and The Galleria at Tysons II make the Potomac River a significant barrier to retail traffic that could be attracted from Northern Virginia, the most affluent area in the Metro market. To compete at a regional level for the trade area across the Potomac River, a retail project in Silver Spring would have to provide unique, high quality shopping and attractions.

- CBD Retail Too Spread Out- At 360 acres (including rights-of-way), downtown Silver Spring is a very large commercial area. Retail is spread over much of this area with no sense of organization or clustering of specific retail uses like the restaurant district in downtown Bethesda's Woodmont Triangle area.

With retail and service businesses covering such a large area, it is difficult for customers to find specific small businesses and to remember where they are located. A new small business easily becomes lost among the other businesses and signs and other activities in downtown, all competing for attention. Even long time residents talk of

“discovering” a business that has gone unnoticed after being in operation for years in the same location.

Creating districts with distinct identities will help visitors to downtown find their way around and locate the businesses they need. Way finding, information kiosks and business directories would help. Visual landmarks, nodes of activities or clusters of similar businesses could give a sense of organization to the retail areas in downtown Silver Spring. The County’s Department of Housing and Community Affairs has ongoing projects to help create an identity and a sense of place for two districts in downtown, Fenton Street Village and South Silver Spring. Enhanced marketing programs would help create visibility and identity for areas of downtown and the businesses there.

c. Economic Constraints

- Intense Retail Competition- Downtown Silver Spring is in a very competitive market. There are ten malls/ major shopping centers (totaling about 5.5 million square feet of gross leasable area-GLA) located within eight miles of the Urban Renewal Area. Beyond the eight-mile ring, the competition is less dense, but remains very substantial with another 11 centers (about 11.5 million square feet of GLA) between the 8 to 20-mile ring. Any retail project in the Urban Renewal Area must have the critical mass and differentiation to compete in the market.
- Declining Office Population- The office vacancy rate in downtown Silver Spring was 37 percent in July, 1996. If the vacant post-1981 office space were filled it could potentially be as many as 2,750 additional employees in downtown. There were an estimated 18,500 employees working in downtown Silver Spring in 1995. This number has likely declined based on the current office vacancies. However, as the office market turns around, this level of employees should increase again.
- Fragmented Property Ownership- The fragmented pattern of property ownership in small parcels makes it very difficult for the private sector to redevelop any significant area of downtown Silver Spring. The CBD zoning applied to most of downtown requires a parcel of at least 22,000

square feet to be eligible to submit under Optional Method Development. This would allow the project a 100 percent density bonus under certain conditions. Assembling property can be difficult in a private project, thwarted by a single hold out. This can be a particular problem for retail development that is functionally limited from going higher than three to four levels and often must accommodate large footprint uses as anchors.

- Recapturing the Market- Retail project(s) in the core area of downtown must have the critical mass and be significantly differentiated from other retail opportunities in the region to draw customers back downtown. This will be crucial if downtown is to recapture the retail market lost, over the last 30 years, to shopping centers developed farther into the suburbs. To support the desired quality and variety of retail businesses, the project(s) needs to draw from an expanded trade area that would make the Silver Spring CBD the downtown of eastern Montgomery County.
- Not Part of the Tourist Itinerary- Downtown Silver Spring is not part of the Washington tourist itinerary. The majority of visitors focus their itineraries on the core of the District, the Capitol, the White House, the Smithsonian museums and galleries along the Mall and the monuments. Silver Spring is not positioned to intercept demand from these itineraries. Demand would have to be deliberately drawn to downtown Silver Spring.

d. Traffic

- Pass-through Traffic- In addition to the peak traffic generated by the commercial and residential uses in downtown, there is a significant level of pass-through traffic using Georgia Avenue, 16th Street, and Colesville Road as routes for commuters from up-county or the Beltway to Washington DC. A traffic analysis completed by M-NCPPC and published in a technical appendix to the Silver Spring CBD Sector Plan in February, 1992, reported that pass-through traffic in the CBD has remained fairly constant at a rate of about one-third of the total traffic volume. Most of this pass-through traffic occurs during peak hours when the primary roadways in downtown are congested.

However, during non-peak hours, which is the majority of the remainder of the day and night, traffic flows very well with little or no congestion.

- **Limited Roadway Capacity-** Because of the highly developed character of downtown Silver Spring, it is difficult to expand rights-of-way for widening the streets in the CBD. Reconfiguration and signal improvements to some intersections and upgrading the computerize controls and signal interconnects of the intersections could help reduce delays. In general, however, the roadway capacity for carrying traffic cannot be increased in the CBD. Based on an analysis in the Silver Spring CBD Sector Plan, there is adequate capacity for a significant amount of new commercial development in downtown.

While the roadway capacity is finite, the capacity of the transit resources in downtown Silver Spring remains relatively untapped. Traffic Manage Programs can continue to shift commuters and visitors to non-auto modes of travel through incentives and marketing programs. Fortunately retail development has a minimal impact on the morning peak travel period. Travel for retail and entertainment activities are more evenly spread over the day and into the evening hours, creating less of a peak traffic load than office uses.

e. Crime and Security: The Montgomery County Police report that from 1990 to 1995, Part I crimes increased by nearly 25 percent in downtown Silver Spring from 1298 to 1618. This compared to an increase in Part I crimes of almost 5.2 percent in the entire County from 31,935 to 33,590. As a share of the total County Part I crimes, crimes in downtown Silver Spring increased slightly from a share in 1990 at 4.1 percent to a share in 1995 of 4.8 percent of the County total. Part I crimes include homicide, rape, robbery, aggravated assault, which are violent crimes, and burglary, auto theft, and larceny which are classified as non-violent crimes.

The greatest increase in crime in downtown Silver Spring was in the non-violent crime categories. Larceny accounted for the greatest increase in the crime reports between 1990 and 1995. Violent crimes actually decreased from 156 to 143, an eight percent reduction in downtown Silver Spring during the same six-year period. During this

same time period, total violent crimes in the County remained at about the same level.

The crime statistics show that crime is a real problem in the CBD. However, the perception of crime in downtown is made worse by the reporting of crime in the media. Headlines in the newspapers will often indicate a crime was committed in Silver Spring but the details in the story will indicate that the crime was actually committed in Aspen Hill, Wheaton, Layhill, White Oak or even as far up County as Burtonsville, all areas of eastern Montgomery County with Silver Spring postal addresses. However, the perception in the readers mind is that the crime took place in the heart of downtown Silver Spring. An effort is being made for the reporting of crimes in the media to more appropriately pinpoint the locations where crimes were committed.

C. Retail Trends and the Market

1. Changes and Trends in the Retail Industry

Retailing is constantly in a state of change. Competition is fierce and to be competitive a retailer must stay fresh in their presentation, flexible to trends in the marketplace, and provide what the market needs or desires. These needs and desires are always changing as styles and lifestyles change, trade area populations age or succession changes the demographic profile. There are certain recent trends that affect the potential retail development that could occur in downtown Silver Spring.

a. Decline of the Department Store and the Traditional Mall-

This type of project was the primary recommendation of the Silver Spring CBD Sector Plan for the Core District. The two department store mall project proposed for Part I of the Urban Renewal Area was terminated by mutual agreement between the County and the developer in early 1995. The developer was unable to get commitments from a second department store needed to anchor the retail shopping mall.

Nationally, development of new regional shopping malls anchored by department stores has declined significantly during the first half of this decade. Existing shopping malls have also been plagued by the loss of department store anchors as consolidations, bankruptcies, and closings have taken their toll. This has left some projects scrambling for a new or different anchor to create the draw for the center.

In the recently published *ULI 1996 Real Estate Forecast* the Washington market was cited as an example of the problem malls are having with their anchors. "The venerable 115-year old Woodward and Lothrop department store chain went into bankruptcy and was sold at auction in 1995 to the May Company and JC Penney, creating dark anchors at many malls during the peak Christmas season. Most of the Woodies stores will be replaced by May or JC Penney stores, but some will remain vacant. In general, the proliferation of big-box retailers expanding into the Washington market has posed a challenge to the regional mall sector." (Page 24)

b. Rise of the "Big-Box" Retailer- Wal-Mart and Kmart are two of the larger discount general merchandise retail companies with stores of 100,000 square feet with some stores up to 130,000 square feet or more. Big-box retailers also include stores with more limited lines of products such as home improvement stores like locally-based

Hechinger and the larger Home Depot which are also in the 110,000 to 130,000 square foot range.

c. Category Dominant Stores- Often stores with limited product lines are called “category dominant” stores ranging from 20,000 to 50,000 square feet in size. Once dominated by small independent shops, bookstores, for example, are dominated by Crown Superstore, Barnes and Noble, and Borders Books. Office supplies are dominated by Staples, Office Depot, and Office Max. Pet supplies are now sold in 20,000 to 30,000 square foot stores such as PetMart, Petstuff, and PT Moran. Other retail lines dominated by category killers include pharmacies, music tapes and CDs, video rental, computers, electronics, and sporting goods. Even the small gift and greeting card shops are growing in size. Hallmark Cards has a 7,000 square foot superstore that is 5 to 7 times the size of the typical card store.

These large format stores are attractive to the market because of the wide selection of products in the categories they carry and the deep price discount, a tough combination to beat. These stores operate at a very low markup above their cost and depend on very high volumes of sales. As stores get larger, the market can support a limited number of them, quickly leading to saturation of the market. These factors are resulting in a shake out that will result in the elimination or consolidation of the retailers that are under capitalized or not well managed.

At a recent ULI seminar held in Washington, DC, it was suggested that this shaking out process eventually will allow the dominant retailers to reduce the number of stores they operate to a level that the market will support. Their customers would be required to travel further to shop in these remaining big-boxes. This could result in an opportunity for smaller stores, that offer convenience, to move back into the market. In the mean time, large footprint stores are the only new activity in the retail market.

d. Retail Growth in Power Centers and Free-Standing Boxes- New retail construction is dominated by power centers and free-standing stores because this is the primary format for the big-box/category dominant stores. Power centers are a collection of big-box/category dominant stores with very little small retail space. The typical big monolithic box with a bright colored sign surrounded by a sea of parking is very suburban in character. Some communities have resisted the market pressure for this type of development but in areas where there are limited prospects for any kind of new development, these big-box projects are welcomed or even recruited.

As suburban markets are becoming more saturated by overbuilt retail, big-box retailers are looking back into urban areas but are finding it difficult to find sites that are large enough. To squeeze onto smaller sites in developed areas, some big-box retailers have gone to multi-level stores with structured parking decks. Some urban communities are assisting the development of big-box and power center projects as a way to redevelop declining areas. According to an Urban Land Institute (ULI) publication, "This everybody-is-an-anchor approach means dramatically new development economies, supportable land costs, management roles, and —down the line—less certain redevelopment or renovation opportunities."

e. Urban Entertainment Centers (UECs) - "The Urban Entertainment Center or Urban Entertainment Destination is an emerging product created by the real estate development and entertainment industries. To the development industry, the UEC is an entertainment-enhanced or entertainment-based project, where entertainment fills the role traditionally played by retail anchors such as department stores. From the entertainment industry's perspective, the UEC represents a range of opportunities, from simple retail store to an entirely new distribution channel." Market Verification Study, MRA International, Inc. and The Richardson Group, 1995.

UEC projects generally are described as a mixed use development dominated by entertainment uses and activities, usually including at least three or more of the following uses:

- 1) Cineplex
- 2) Cultural/institutional
- 3) Hotel
- 4) Music/live entertainment venue
- 5) Performing arts
- 6) Ride environment
- 7) Simulator/Virtual reality
- 8) Sports/public assembly
- 9) Themed/concept/specialty retail
- 10) Themed food and beverage

UEC Characteristics- UEC developments usually range in size from 150,000 to 400,000 square feet. The dominant uses are movie theaters, restaurants, and specialty retailing. Themed restaurants (e.g. Hard Rock Cafe, or Planet Hollywood) with retail stores attached are viewed by some in the industry as "clothing stores that serve hamburgers"

because as much as 60 percent of their revenues come for the retail versus food and beverage sales.

The confluence of retail and entertainment balances out peaks in demand attracting people in the early evening and on into the night. Seasonal peak periods also are more balanced. December is the peak retail season, while entertainment uses tend to peak during the summer. This creates positive impacts on traffic congestion in downtown since a retail/entertainment center would not add significantly to the morning peak and extends its peak period later into the evening. Parking demand also would be counter to the demand generated by office uses with a higher demand for parking in evenings and on weekends. Patrons tend to spend more time at centers with entertainment as the anchor than they do at typical shopping malls.

UEC - Potential for Downtown Redevelopment- Historically, the commercial center of cities have also been the location of the cultural and entertainment activities. Today, downtown redevelopment efforts have been using entertainment, recreation, sports, and cultural institutions as a means of bringing people back downtown.

Baltimore is the best regional example with the Inner Harbor, Science Museum, Aquarium, Orioles Stadium at Camden Yards and the new football stadium for the Ravens. The Inner Harbor project was a joint effort by the City of Baltimore and the Rouse Company with additional funding from the State of Maryland. Other notable examples of downtown UEC's include: Yerba Buena Gardens in San Francisco; New York City's 42nd Street; the \$38 million Sony-Blockbuster Amphitheater on the Camden, New Jersey, waterfront; the Power & Light District project in Kansas City; downtown Cleveland's Rock and Roll Hall of Fame; Chicago's Navy Pier on Lake Michigan; and the Church Street redevelopment in Orlando.

2. Market Saturation

The national outlook for retail development is not encouraging according to the *ULI 1996 Real Estate Forecast*, "The growth of big-box tenants and the shake out now underway among all types of tenants have led to an increasingly over saturated retail marketplace. Current conditions are likely to worsen before they turn around."

In the regional market around Silver Spring, there are ten malls/ major shopping centers (totaling about 5.5 million square feet of gross leasable area-GLA) located within eight miles. Beyond the eight-mile ring, the competition

is less dense, but remains very substantial with another 11 centers (about 11.5 million square feet of GLA) between the 8 to 20-mile ring. (See Table II-8.)

In Silver Spring, the core market will not support significantly more retail space than currently exists in downtown. Even so, retail in downtown does not meet the local market's expectations and seems inadequate because the area is disorganized, poorly marketed, and is spread over too large an area. If new local serving retail is developed without drawing from a larger market, some of the older, poorly located retail space will either be added to the inventory of vacant space or it will be filled by marginal, less desirable retail activities. This potential negative impact on other areas of downtown must be taken into account for projects in the Urban Renewal Area.

Table II-8. Existing Specialty Regional Retail Centers within 20 Miles of Silver Spring

Center, Location	Total GLA* (in Sq.Ft.)	Distance (Miles) from the Silver Spring Urban Renewal Area
<u>Montgomery County</u>		
Montgomery Mall, Bethesda	1,250,000	7.5
Lake Forest Mall, Gaithersburg	1,100,000	14.5
White Flint, North Bethesda	800,000	6
Wheaton Plaza Shopping Center, Wheaton	1,250,000	3
<u>Prince George's County</u>		
Prince Georges Plaza, Hyattsville	900,000	3.5
Landover Mall, Landover	1,300,000	10.5
<u>Howard County</u>		
The Mall, Columbia	882,000	17
<u>Northern Virginia</u>		
Landmark Mall, Alexandria	970,000	13.5
Ballston Common, Arlington	530,000	9.5
Fashion Center at Pentagon City, Arlington	820,000	9.5
Fair Oaks Mall, Fairfax	1,400,000	21
The Galleria at Tyson's II, McLean	800,000	12
Tyson's Corner Center, McLean	1,900,000	12
Reston Town Center, Reston	240,000	18.5
Springfield Mall, Springfield	1,600,000	18
<u>Washington, DC</u>		
Georgetown Park	325,000	6.5
Mazza Gallerie	303,000	4.5
Chevy Chase Pavilion	150,000	4.5
The Pavilion at the Old Post Office	101,000	7
The Shops at National Place	124,000	7
Union Station	250,000	7.5
TOTAL	16,955,000	

*GLA = Gross Leasable Area, the total square footage of space that can be leased.

Source: The Richardson Group, 1995.

3. Capturing Multiple Markets

To support the variety and quality of retail stores needed for downtown Silver Spring to become a destination for comparison shopping, it will be necessary to capture a share of several markets. Which markets offer the greatest potential for retail in downtown will determine what kind of retail project can be developed in the core area. The sustainability of the retail activity will depend on how successful the project is at meeting the needs of these retail markets and the anchor uses in the project that create a draw to the project. Sometimes it can be difficult to meet the needs of different markets with a harmonious marketing plan. The retail development will want to effectively satisfy all target markets. A successful project will minimize the conflicts and be able to capture an adequate share of these diverse markets.

a. Local vs. Regional Markets- Retail shopping for local markets satisfies needs, usually related to daily necessities, where convenience and value are the primary concerns of the shopper. Regional markets demand retail uses that satisfy wants, which requires more retail selection, comparison shopping, and goods that are higher ticket items. At this level, shopping becomes a diversion, a form of entertainment. Retailers are combining entertainment and shopping to create a better draw. It is becoming very common for shopping centers to blend retail shopping and entertainment activities to complement each other.

This is one reason outlet malls are being located near resort areas. The resort activities create the draw for people but the shopping actually becomes one of the attractions that takes a significant part of the vacationer's itinerary. In reverse, cultural activities and entertainment are becoming a part of the regional shopping attraction. It can be difficult to satisfy both local and regional markets without ultimately satisfying neither but where the local market is saturated, it becomes necessary to draw from the larger market to support the variety and quality of the retail stores.

b. Local Market Diversity- The local market around downtown Silver Spring has a very diverse population. There is diversity in age groups and life stages. Senior citizens are more concentrated in the local market than in the Metro area market. The largest segment of the local market is the maturing baby boomers who are in a different stage of their life cycle. There are empty nesters in the local market area, as well as families with children.

One of Silver Spring's strengths is its ethnic diversity. This ethnic diversity is celebrated by the Silver Spring community. "The

racial / ethnic composition of a market is not deterministic in the same fashion as other demographic variables (household income, for example). However, understanding the make-up of the market base can give indications of the dynamics that will have to be incorporated in a [retail] program in order to appeal to the diverse tastes, preferences, and use patterns of a heterogeneous patron base.” Market Verification Study, December 1995, MRA International Inc. & The Richardson Group.

The diversity in a market may be a challenge for retailers to identify and satisfy the possibly differing needs of the various segments of the community. Likewise, a retail development must have a very good understanding of its marketplace to develop an appropriate tenant mix that can draw as much of the market as possible to the project. The diversity in the Silver Spring market has already created a unique mix of ethnic restaurants, grocery stores, and other businesses. Diversity can create opportunities to develop more interesting retail activities in the Urban Renewal Area that draws on all needs and tastes in the market.

There are a number of minority owned businesses in downtown Silver Spring. Many are in telecommunications and high-tech industries and services. Several minority-owned businesses are ethnic restaurants which bring a unique offering of foods and culture from around the world. These businesses should be strengthened and encouraged to stay in downtown and opportunities should be created for minority business participation in the redevelopment projects as consultants, contractors, suppliers, and tenants.

c. CBD Employees- Another market is the office employees who work in the millions of square feet of office buildings in downtown Silver Spring. These workers are a very stable market segment, although limited in number. Employees can support restaurants and convenience uses when they go out at lunch, before going home in the evening, and encourage them to remain in the downtown for evening activities. A 1991 retail market study of downtown Silver Spring by HSG/Gould Associates estimated that the office employees could support a maximum of about 100,000 square feet of retail space.

d. Tourist Market- While the tourist market in the Washington metro area is very significant, Silver Spring is not a tourist destination. If a project could create a draw, it would generate “new” dollars in the local economy and “new” tax dollars for Montgomery County and the State of Maryland.

4. Retail Development Options

The critical issue for retail development is to put together a project that is able to capture a market that will support the type and amount of retail it presents. This Plan is not suggesting any specific configuration of retail development—an open “Town Center” design or an enclosed mall. While a significant retail element is preferred, the plan does not set a minimum or maximum retail floor area. The objective of the Plan is to give the flexibility to allow the market to respond.

This part of the Plan has focused on the potential content of the retail element of the redevelopment project(s). Design can also act as a feature that differentiates a project and makes it more attractive to the markets. Quality design is assured more by requiring the development team to include a creative, experienced architect who has designed retail projects in an urban setting. The design solution will not be prescribed in this Plan. Town Center, urban high-rise buildings, theming, neotraditionalism, art deco, or any other architectural idiom or design solution could be part of a successful project. The critical factor is a quality design that is compatible with the surrounding properties and accommodates the uses and activities that will attract and satisfy the markets.

5. Town Center Concept

Although the Plan is flexible in terms of the types and configuration of land uses, there is an underlying expectation that the redevelopment projects will contribute to the formation of a Town Center. A Town Center is not a specific type of project, but rather a place that provides diverse opportunities for public enjoyment and encourages social interaction. A strong sense of community identity is also embodied in a Town Center.

Town Centers range in both size and density depending on the scale and needs of the communities where they are located. Reston Town Center, for example, covers 20 acres and consists of 1.2 million square feet of commercial uses. The mixed-use project includes twin 11-story office buildings and a high-rise hotel. By comparison, Mizner Park, a mixed-use development configured as a neotraditional Town Center for Boca Raton, Florida, contains 398,000 square feet of low scale buildings within a 28.7 acre site.

Despite differences in size, Town Centers tend to have many similar characteristics. These projects, for instance, usually have open-air civic plazas and public gathering places. The buildings often contain street-level retail, restaurants, and entertainment uses. Typically there are amenities such as

public art, fountains, or other elements that contribute to establishing a sense of place.

6. Evaluating a Retail Project

MRA International, Inc., a consultant for the County during the review of the American Dream completed a Market Verification Study (*American Dream Market Verification Study*, 1995) that identified 21 standards to use in analyzing a UEC for development in the Urban Renewal Area. However, these standards are very appropriate for evaluating any proposal for a retail development project in downtown. These standards could be used by the community and the County to review future proposals for the redevelopment of downtown Silver Spring. A mixed-use / retail redevelopment project in the Urban Renewal Area would:

- a. Have a critical mass of activities, facilities, and attractions sufficient to attract targeted market segments on a consistent and repeated basis.
- b. Be clearly differentiated from competitors in the marketplace (both existing and planned).
- c. Specifically reflect differentiation from the primary visitor offerings on existing tourist itineraries in the District and along Interstate 95.
- d. Create a clearly identifiable and recognizable retail concept and mix and include a group of core tenants not currently represented in the market.
- e. Employ a theme(s) or unifying concept(s) to enhance the project's distinctiveness and add value to the visitor experience.
- f. Have a component or components that offer a sustainable competitive advantage — an asset that enhances project performance that cannot be easily duplicated by a competitor.
- g. Draw demand from multiple target market segments — representing the expected foundation of support for the project.
- h. Have an entertainment and recreation program designed — in theme(s), component mix, and physical layout — to enhance the performance of the retail offerings.
- i. Take advantage of innovative retail concepts such as retail bundling to leverage the entertainment offerings and enhance overall project performance.
- j. Offer a strong base of “programmable” venues — venues that can be changed easily and at low cost — designed to enhance repeat visitation from the regional (day visitor) base and the tourism (overnight) base.

- k. Be organized around a variety of visitor itineraries (established patterns of visitation — at the most basic: dinner and a movie) designed to increase duration (length-of-stay) on site for targeted segments.
- l. Be designed to draw visitation during 5 to 6 specific demand periods over the course of the operation day, week, and season (AM, Lunch time, Afternoon, Evening/Dinner, Night/Late Night).
- m. Clearly articulate an operation concept for the entertainment components, and identify key sources of revenue/profit (and loss) within the mix of components.
- n. Base the scale of the program on both strategic and competitive rationale, and an identified base of demand.
- o. Base the mix of food and beverage, entertainment, specialty retail, and other functions on an identified strategic rationale (i.e. a business plan and implementation strategy).
- p. Have clear local identity.
- q. Be built around a program and physical design that includes “people places” which create environments and settings that support — and add value to — social interaction.
- r. Address both positive and negative locational factors specific to the site and its surrounding context.
- s. Create an environment, through the program and physical design, that is secure throughout the operation day.
- t. Create a positive image for downtown Silver Spring and foster a new sense of vitality in the community.
- u. Be conceived around a clear implementation strategy. This strategy should identify a variety of milestones throughout the pre-development and development processes.

D. Comprehensive Approach to Revitalization of Downtown Silver Spring

The Silver Spring Urban Renewal Plan is one component of a broader effort to revitalize downtown Silver Spring. Projects developed in the Urban Renewal Area should enhance the quality of life in and around the downtown by making the area more attractive and desirable to visit or remain after work for shopping, dining, cultural events, entertainment, and all the things a downtown should provide. It should change the image of downtown Silver Spring to become an active, lively place.

1. The Impact of Urban Renewal on the Revitalization of Downtown

The Urban Renewal Plan is the keystone of a comprehensive effort to revitalize downtown Silver Spring. The elimination of blighted buildings and the assembly of a site for redevelopment will help change the image of the downtown area making it look more attractive and feel comfortable and secure. The preservation and reuse of historic structures will sustain their economic viability or provide a place for cultural opportunities or community services. This will help maintain the connection with downtown Silver Spring's historic role as the County's premier center for community and commercial activities and help create a sense of place that is uniquely Silver Spring.

The redevelopment project should help draw people back downtown by increasing downtown's market share from the local markets. However, to support the variety and quality of retail, entertainment and other activities the community wants, will be necessary for downtown Silver Spring to attract a much broader market. If it is to be the downtown of eastern Montgomery County it must have a draw that is different from the other shopping and entertainment available in the many competing centers in the area. Its proximity to the District of Columbia gives Silver Spring the opportunity to draw people from the area to the south. A significant part of the existing market in the District of Columbia is the tourist market. This market is only a 12 minute METRO ride away. A much less ambitious project than the proposed American Dream could still create a draw for this market if it included some unique activities in an interesting and attractive environment.

A redevelopment project that only captures a large share of the local market would be shifting the local market away from other local serving businesses in downtown. This would make it very difficult to revitalize the rest of downtown because the new development and the existing businesses would effectively be competing with each other for the same limited market. The older areas of downtown are more spread out, not as well located and

visible, more fragmented and less organized than the new redevelopment project would be — in short, the existing small businesses in the older areas will be at a competitive disadvantage. A revitalization program can mitigate some of these disadvantages. However, which markets and the share of these markets that can be attracted to downtown will significantly impact the ability to revitalize downtown.

The project(s) implemented under this Urban Renewal Plan can become the engine to generate economic vitality throughout the rest of the downtown. The redevelopment project(s) would have to attract a larger market and be designed to encourage people to move throughout downtown. The other side of this equation will require that the area outside of the Urban Renewal Area must be made more attractive, pedestrian friendly, safe and secure, and have an image of being an area that is convenient and interesting. It must also provide the goods and service that will attract the local market on a daily basis. The potential for revitalizing downtown, particularly the older buildings and smaller businesses located south of Wayne Avenue, will not happen automatically. In fact, the effort to stabilize and help small businesses survive and prosper should be started now, and must continue throughout the process of implementing the Urban Renewal Plan.

2. Public Revitalization Effort

There has been a significant history of public activity over the years to stimulate the resurgence of the downtown Silver Spring's historic economic position as the primary marketplace for the eastern half of the County. These efforts have included development incentives in the zoning ordinance, mass transit projects, an extensive program of public parking, streetscaping, and special growth policies. They also have included the use of many varied economic development activities such as training and educational programs for small businesses, marketing and promotional campaigns and events, use of the County's urban renewal powers, and tapping incentive programs available from State and Federal sources. All of these efforts have been aimed at attracting new businesses to the area and encouraging businesses to remain.

a. A Variety of Economic Needs Requires a Variety of Economic Tools

Generating renewed economic vitality in downtown Silver Spring is going to require a broad-based effort. There is no single solution to the area's challenges or one single way to capitalize on downtown's many assets. Different types of business ventures have different requirements to be competitive and successful. To retain or attract businesses in downtown Silver Spring, financing assistance, tax

credits, technical assistance and training will have to be packaged to fit the needs of a variety of businesses and market conditions.

The County has developed a comprehensive menu of local initiatives and is working with several state programs which can assist downtown businesses and property owners. The most recent new economic development tool is the designation of the CBD by the State of Maryland as an Enterprise Zone. Some of the specific local and State revitalization programs and activities available for use in downtown Silver Spring are described in Appendix B.

b. Public / Private Partnership

Coordination of these public efforts and a close working relationship with the private business sector and local neighborhoods are critical for the successful revitalization of downtown Silver Spring. To be effective, the County's programs must be implemented as part of a partnership between the businesses and the County with support from the Silver Spring community. This could be accomplished through a formal partnership with a quasi-private or non-profit entity operating the program activities such as the Bethesda Urban Partnership model. It could also be more structured with the County managing and operating the services and programs with the businesses and community participating through a steering committee. The structure of the partnership must be developed in a way that works best for downtown Silver Spring.

3. A Comprehensive Downtown Revitalization Strategy

The County's efforts to revitalize downtown Silver Spring need to be strategically focused and coordinated to be more effective. The effort must be very proactive and hands-on with the County working directly with the businesses, property owners and local community to change the total image of downtown. This revitalization program needs to be located in downtown where it can be very visible, accessible, and close to what is going on. Working on a problem this complex, involving so many stakeholders, and establishing the credibility and understanding with the local businesses and community can not be accomplished from Rockville. The effort must be community-based and located in a consolidated office in downtown Silver Spring.

The revitalization program must bring to bear all of the programs and have access to all of the expertise available through the County, State, and, where possible, Federal Government. The programs and activities initiated as part of the revitalization effort must be action oriented directed toward

implementation. Visible improvements and successful events will demonstrate ongoing progress, create confidence, generate enthusiasm, and make the next step much easier to support. The effort must be directed at all four components of the revitalization program simultaneously.

4. Four Strategic Components

These revitalization program activities must be focused on four components:

- 1) support of the business community's effort to work together for their common success with the support of the surrounding communities;
- 2) economic development strategies to retain existing businesses and attract new businesses into the downtown to stimulate investment, create new jobs, and make more goods and services available to the market;
- 3) marketing and promotion of the downtown and the businesses located there to help draw the market back to downtown Silver Spring; and
- 4) quality design and improvement of private property, public spaces and facilities, and identifying and directional graphics.

A revitalization program based on these four components and supported by downtown businesses and the surrounding community can be an effective approach to make downtown Silver Spring a better place to shop, work, and live. Revitalization of downtown Silver Spring is a process, not a project. It will take time and commitment by the County, the Silver Spring businesses and community working together.

III. DEVELOPMENT PLAN

A. PLANNING FRAMEWORK

1. Vision for the Silver Spring Central Business District

This Urban Renewal Plan reaffirms and expands the vision of the 1993 Silver Spring Central Business District (CBD) Sector Plan. The Sector Plan stated that the Silver Spring CBD should be a regional magnet, rather than the type of small business district which exists in other areas of the County. The Silver Spring CBD was specifically described as Eastern Montgomery County's downtown. This Urban Renewal Plan reaffirms this role for Silver Spring.

In any case, Urban Renewal must be one component of a comprehensive revitalization strategy to develop a vibrant downtown. Redevelopment in the Urban Renewal Area must generate sufficient critical mass to be economically viable. Such redevelopment may consist of relatively large projects or a number of smaller developments.

2. Goals

This Urban Renewal Plan reaffirms the goals of the Urban Renewal legislation. The County Council determined in the 1992 Urban Renewal Plan for Silver Spring that rehabilitation and redevelopment of the Urban Renewal Area is needed to advance the "public health, safety, morals, and welfare of the residents of the County."

The Urban Renewal program is specifically intended to:

- Reverse the Decline in Productivity of Downtown Commercial Properties and Businesses;
- Eliminate Blighted Areas in the Core of Downtown Silver Spring; and
- Strengthen the Economic Vitality of the Central Business District.

This Urban Renewal Plan also reaffirms the goals of the 1993 Approved and Adopted Silver Spring Central Business District Sector Plan. The Sector Plan established four major goals, the attainment of which was expected to make Silver Spring an interesting, stimulating, and active place to live and work.

Retail revitalization continues to be an important goal for downtown Silver Spring. Any projects approved by the Planning Board within the Urban Renewal Area should be consistent with these goals.

In addition to reaffirming the goals of the Urban Renewal Plan and the Silver Spring CBD Sector Plans, this Amendment to the Urban Renewal Plan is also consistent with the goals of the 1993 General Plan Refinement which pertain to the Urban Ring, the densely populated portion of the County which includes Silver Spring. The General Plan Refinement described the Urban Ring as follows:

“The Urban Ring is an older, well-established, and densely developed area characterized by diversity in income, ethnic, and racial composition. Within the Urban Ring there is a great variety in density and character among areas. . . The Urban Ring is an area in which suburban lifestyles exist, if not side by side, then very close to an urban environment. The Urban Ring is expected to remain as the County’s most densely developed area.” (General Plan Refinement Goals and Objectives, page 20.)

The challenges for the future of communities located in the Urban Ring include: accommodating additional development and redevelopment in a sensitive manner while preserving existing neighborhoods, expanding transportation options while accommodating pedestrian needs, and emphasizing development in appropriate transit station areas. The General Plan Refinement designates the Urban Ring as a high priority location for new infrastructure and expects Montgomery County to avoid the creation of and perpetuation of abandoned or blighted areas.

Montgomery County’s effort to redevelop the heart of Silver Spring is responsive to State planning policies, including:

- The State Planning Act, as stated in Article 66B of the Annotated Code of Maryland, which contains the following seven visions:
 - Development is to be concentrated in suitable areas;

- Sensitive areas are to be protected;
 - In rural areas, growth is to be directed to existing population centers and resource areas are to be protected;
 - Stewardship of the Chesapeake Bay and the land is to be considered a universal ethic;
 - Conservation of resources, including a reduction in resource consumption is to be practiced;
 - To assure the achievement of paragraphs 1 through 5 in the preceding section, economic growth is encouraged and regulatory mechanisms are to be streamlined;
 - Funding mechanisms are to be addressed to achieve these objectives.”
- The Governor’s “Growing Smart” Statewide policy initiative which focuses development efforts in established areas, using existing infrastructure such as roads, water and sewer lines, and existing neighborhood services such as libraries, fire, and police stations.

3. Development Objectives for the Urban Renewal Plan

- a. Establish downtown Silver Spring as a destination for retail shopping, entertainment, recreation, education, and cultural activities.
- b. Make the downtown a convenient, safe, and attractive place to live and work.
- c. Protect the residential neighborhoods which surround the downtown while also enabling the residents of these areas to access the desirable features of the downtown.
- d. Strengthen the role of downtown Silver Spring as a center of commerce, employment, and community activities.
- e. Minimize public risks and costs in the implementation of the Urban Renewal Plan.

- f. Optimize the use of public facilities and the public investment in downtown Silver Spring's infrastructure.
- g. Recognize preservation of historic structures as an integral and positive part of the redevelopment and revitalization of downtown, while appropriately providing for the integration or adaptive re-use of these sites into new projects.

4. Relationship to Existing Plans

The 1993 Approved and Adopted Sector Plan for the Silver Spring Central Business District divided the area into 14 districts. The Urban Renewal Area proposed in this Plan is located within portions of the Core, and Cedar districts delineated in the Sector Plan. The following paragraphs describe the relationship of this Urban Renewal Plan Amendment to the 1992 Urban Renewal Plan and the 1993 Sector Plan.

a. Relationship to the 1992 Urban Renewal Plan

Adoption of this Urban Renewal Plan Amendment establishes new boundaries for the Urban Renewal Area. Adoption of this Plan amendment entirely replaces the Silver Spring Urban Renewal Plan adopted by the County Council in August 1992.

b. Relationship to the 1993 Silver Spring CBD Sector Plan

The Zoning Ordinance will require a finding of conformance with the Urban Renewal Plan for Optional Method projects. The parcel specific recommendations in this Urban Renewal Plan supersede the parcel specific guidelines (such as the Land Use Plans, the Concept Plans, Existing and Proposed Public Space Plans, and the Illustrative Plans) in the Approved and Adopted Sector Plan for the Urban Renewal Area. The systemic elements of the Approved and Adopted Sector Plan (such as the system of bikeways, and public rights-of-way) continue to apply within the Urban Renewal Area as well as outside the Urban Renewal Area. (See Figure 6.)

This Urban Renewal Plan does the following with regard to the Approved and Adopted Silver Spring CBD Sector Plan:

- **Augments the four primary goals of the 1993 Sector Plan with the three primary goals of the existing Urban Renewal Plan.**

- **Provides additional land use flexibility** within the Core and Cedar Street districts identified in the Sector Plan, as follows:

The Sector Plan provided two specific options for development in the Core, a department-store-anchored mall and a mini-anchor mall alternative. **This Urban Renewal Plan accommodates a range of development options including incremental development and large, single-footprint developments.**

- **Expands the design guidelines in the 1993 Sector Plan** to balance the additional flexibility accorded by this Amendment in the areas of land use and maximum building height. The design guidelines provided in this Urban Renewal Plan apply to Optional Method projects. The guidelines address public spaces, pedestrian circulation, security, compatibility, historic preservation, transportation, and environmental quality. In some cases, these guidelines must be used in conjunction with the guidelines in the 1993 Sector Plan.

- **Recommends development standards for projects** within the Urban Renewal Area, as follows:

Flexibility with regard to building heights is recommended for Optional Method Development within the Urban Renewal Area.

FIGURE III-1

APPLICABILITY OF 1993 SECTOR PLAN
ACCORDING TO DRAFT URBAN RENEWAL PLAN

Sector Plan Requirement	Sector Plan Applicability (Yes/No)
A. Parcel Specific Recommendations	
• Recommended Land Uses	No
• Proposed (Concept) Streetscape Plan	No
• Concept Plan	No
• Illustrative Plans	No
• Existing and Proposed Public Spaces	No
• Building Height Limitations	No
• Historic Preservation	No*
• Zoning	Yes**
B. Non-Parcel Specific Recommendations	
• Transportation Plan (Rows, bikeways, etc.)	Yes
• Environmental Plan	Yes
<p>* <i>Ch. 24A and Master Plan of Historic Preservation of Historic Preservation continue to apply.</i></p> <p>** <i>Implemented in 1993 through SMA</i></p>	

- c. Projects within the Urban Renewal Area must also be in compliance with all applicable laws, regulations, and policies in Montgomery County and the State of Maryland.

B. LAND USE AND DESIGN GUIDELINES

The intent of this section is to describe what will be required of projects in the Urban Renewal Area and establish a methodology for Planning Board review. Proposed developments in the Urban Renewal Area must comply with the following requirements in order to be eligible for approval by the Montgomery County Planning Board.

1. Compliance with the Urban Renewal Plan

Proposed projects in the Urban Renewal Area must comply with the Urban Renewal Plan.

2. Conformance with the Goals of this Plan

- a. To be eligible for approval, all projects must accomplish the three urban renewal goals:
 - Reverse the Decline of Productivity of the Downtown Commercial Properties and Businesses.
 - Eliminate Blighted Areas in the Core of Downtown Silver Spring.
 - Strengthen the Economic Vitality of the Central Business District.
- b. All projects in the Urban Renewal Area must also be consistent with the following goals from the Silver Spring CBD Sector Plan:
 - Promote Retail Revitalization
 - Maximize the Role of the Transit Hub
 - Conserve Existing Neighborhoods
 - Encourage Housing Opportunities

3. Land Use Plan

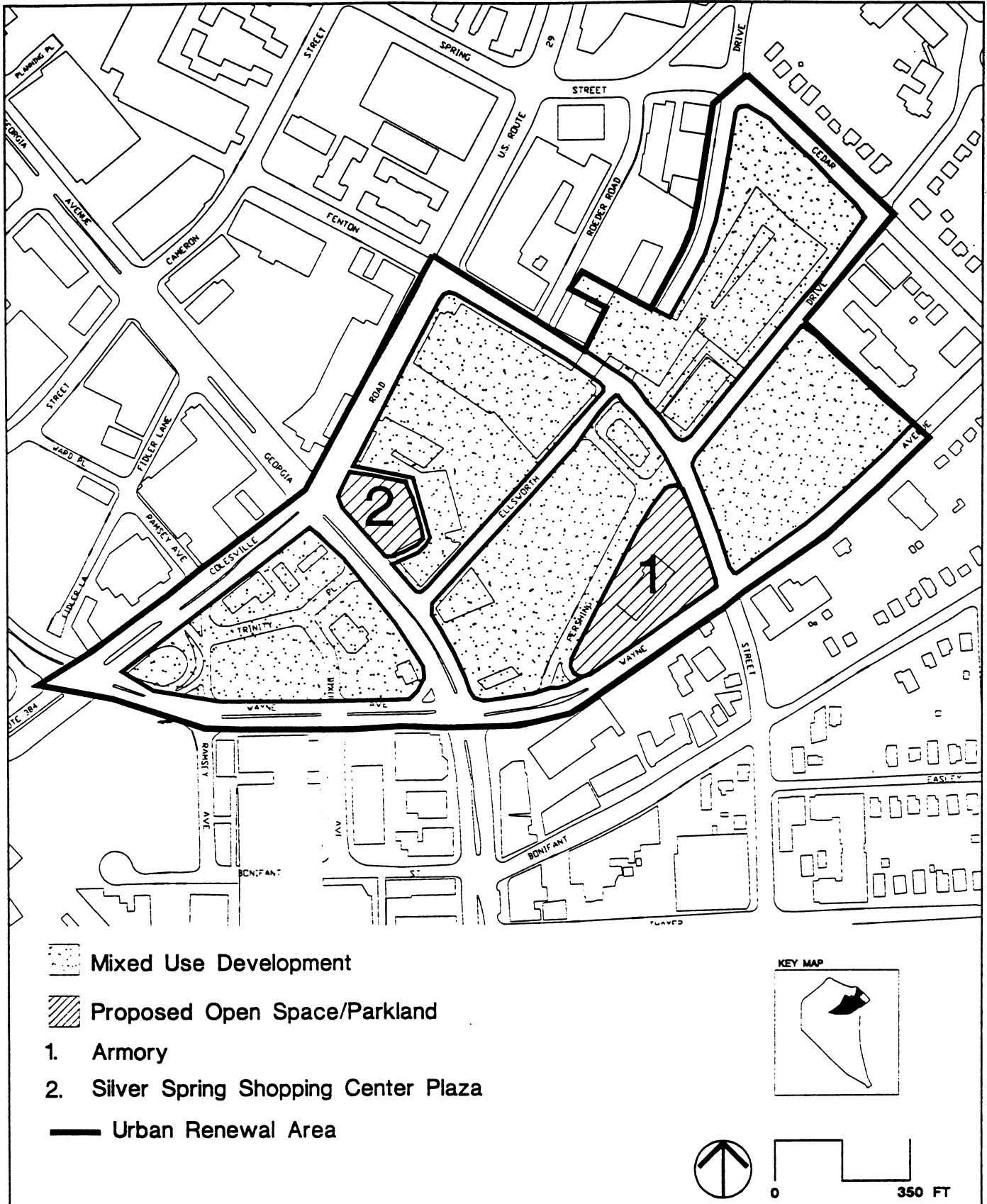
Retail revitalization is still one of the best means to revive and rejuvenate downtown Silver Spring because retail uses create activity and excitement, lend a sense of interest and appeal, bring pedestrians to the downtown, and provide opportunities for social interaction that create a lively atmosphere. Silver Spring faces one of the most difficult challenges of any downtown -- that of re-establishing a retail presence. Retail revitalization must create strong and compelling reasons for customers to enter this market and make Silver Spring a destination.

Given the difficult challenge of returning retail uses to the Core, it is essential that the land use policies for the Core be flexible enough to support development proposals that are market-driven, consumer-oriented, and implementable. This Urban Renewal Plan therefore avoids the specificity of the retail recommendations in the 1993 Sector Plan. Instead, this Plan provides for a range of uses and development configurations within the general framework established by the goals above and the design criteria below.

This Land Use Plan locates the more intensive activities toward Georgia Avenue and Colesville Road and away from Cedar Street and St. Michaels Church. This Plan also recognizes a range of options to provide a buffer or transition along the more sensitive edges. With regard to the geographic distribution of land uses, this Plan stipulates that retail/entertainment/recreation/cultural/hotel uses should be focused along Colesville Road, north of Georgia Avenue, in the area which was historically one of the County's premier locations for retail activity. Existing uses in this area include the historic Silver Theatre and Shopping Center Complex, as well as the City Place retail project. Focusing retail development in this area takes advantage of the "100 percent corner"-- the intersection of Georgia Avenue and Colesville Road. It also provides an opportunity to incorporate Silver Spring's retail heritage into high-quality new development, thereby restoring a sense of place and creating an ambience that will invite people downtown.

PROPOSED LAND USE PLAN

FIGURE III-2



Permissible land uses in the block bordered by Georgia Avenue, Colesville Road, Fenton Street, and Ellsworth Drive could include a wide variety of activating uses such as retail, entertainment, recreation, hotels, and cultural uses. The existing, underlying Central Business District zones permit all of these uses -- given some zoning text amendments that will be implemented in conjunction with this Urban Renewal Plan -- thereby providing market flexibility. This Plan therefore requires the following:

Existing historic structures must be sensitively incorporated into any new project, as discussed in the performance criteria section of this Plan.

- a. A mix of urban land uses would be appropriate throughout the Urban Renewal Area, as permitted by the underlying zoning. However, no more than 50% of Gross Floor Area (GFA) on the block bordered by Georgia Avenue, Colesville Road, Fenton Street, and Ellsworth Drive should be office.
- b. Street-facing retail at the ground level is encouraged, where appropriate, throughout the Urban Renewal Area.]
- c. This Plan specifically prohibits private gambling (including casino gambling, off-track betting, slot machines, and other gambling instruments) within the entire Urban Renewal Area, although charity events and the State of Maryland Lottery will be permitted.

4. Development Envelope

All properties within the Urban Renewal Area are required to meet the development standards of the existing zones as prescribed in the Zoning Ordinance, with limited modifications to building height, as described below. Either the Standard Method of development or the Optional Method of development will be permitted.

For projects with a minimum of 22,000 square feet of lot area, the Optional Method of development may be utilized to increase the density within the development envelope in the Urban Renewal Area. The maximum density under the Optional Method is specified in the Zoning Ordinance. However, some additional flexibility would be appropriate for projects within the Urban Renewal Area. Projects within the Urban Renewal Area should have the flexibility to transfer density across public rights-of-way or closed streets within a Project Plan application.

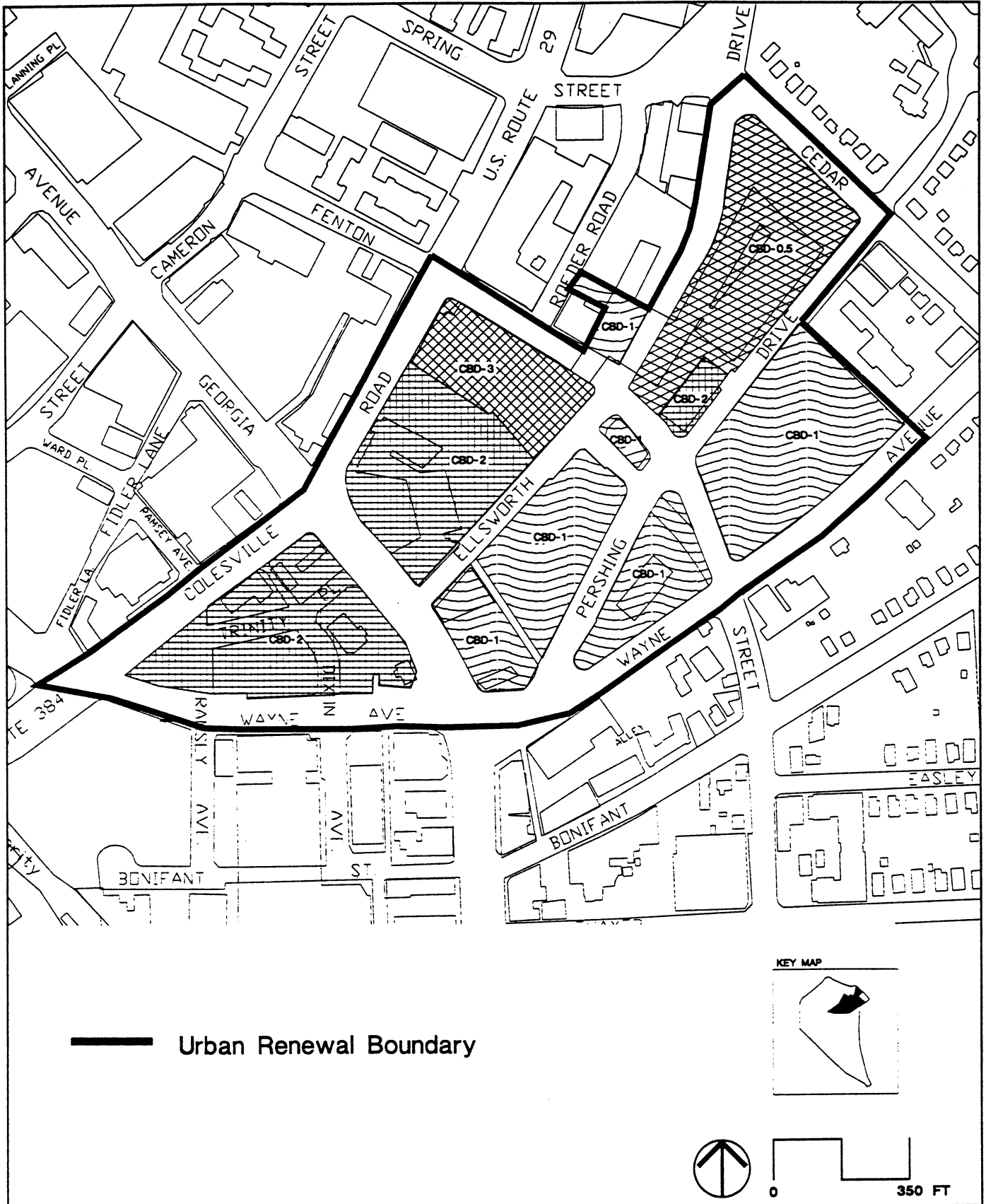
The height restrictions in the Zoning Ordinance for Optional Method projects should be modified for buildings in the Urban Renewal Area (see Section C, "Implementation Tools,") to a) focus the taller buildings toward Georgia Avenue and Colesville Road, and away from Cedar Street; and b) provide flexibility for uses that may require additional height, such as hotels. A summary of the recommendations for building height follows:

- a. *Buildings in the area bounded by Colesville Road, Georgia Avenue, Ellsworth Drive, and Fenton Street, on property in the CBD-2 or CBD-3 Zones, should be allowed up to 200 feet in height instead of 143 feet. The CBD-3 property occupied by City Place already has a 200-foot height limit, so this would extend the same height limit to the rest of the block.*
- b. *Buildings on property in the CBD-1 Zone, should be allowed up to 143 feet in height instead of 90 feet if the Planning Board finds at Project Plan that 143 foot tall buildings are compatible with adjoining uses and that sufficient buffers are provided along adjoining properties in zones less intense than CBD-2. This would provide greater height consistency along Georgia Avenue since the CBD-1 ground here faces taller buildings on CBD-2 and CBD-3 ground across Georgia Avenue.*
- c.. *Buildings along Fenton Street, on property in the CBD-0.5 Zone, should be allowed up to 90 feet in height instead of 60 feet. This would provide a more consistent height limit for the interior of the Urban Renewal Area. It modifies the maximum height for CBD-0.5 ground that was not expected to redevelop at the time of the 1993 Sector Plan because it is occupied by a relatively new parking garage.*
- d. *Buildings adjacent to Cedar Street in the CBD-0.5 Zone may be reduced in height from the 60 feet maximum height permitted by the zone if the Planning Board finds at Project Plan that lower heights are needed to ensure compatibility with the single-family residential neighborhood across Cedar Street from the Urban Renewal Area.*

Language added by Resolution No. 14-346, attached to this document.

EXISTING ZONING

FIGURE III-3



5. Design Criteria and Guidelines

a. Project Plans

Optional Method projects must obtain both Project Plan and Site Plan approval. In order to approve a Project Plan, the Zoning Ordinance requires that the Planning Board find that the proposed development does the following:

- Conforms to the Approved Urban Renewal Plan.
- Complies with all requirements of the zone.
- Would be compatible with, and not detrimental to, existing or potential development in the general neighborhood because of its location, size, intensity, design, operational characteristics, and staging.
- Would not overburden public services.
- Would be more efficient and desirable than the Standard Method of development.
- Includes Moderately Priced Dwelling Units (in residential development).

In order for The Planning Board to make a finding of conformance with the Urban Renewal Plan, the seven performance criteria will be used as “the basis for consideration.”

b. Site Plans

Site plan approval is also required for Optional Method projects. Site plans must do the following:

- Be consistent with an approved Project Plan.
- Meet all of the requirements of the zone.

- Demonstrate that the locations of buildings, open space, landscaping, and circulation systems are adequate, safe, and efficient.
- Be compatible with existing and proposed adjacent development.
- Meet forest conservation requirements.

c. Performance Criteria (“Basis For Consideration”)

Although the following performance criteria will be applied to all optional method projects in the Urban Renewal Area, the extent to which an individual developer will be able to accomplish some of these criteria will depend on the size, density, and impact of the proposed development. Although each Urban Renewal Project must substantially conform to each of the performance criteria, the Planning Board may consider site constraints in evaluating the project’s conformance with each of the criteria and guidelines.

Criterion One - Public Space

The successful design of public spaces in the urban environment provides gathering spaces, focal points, encourages a sense of place, and community identity. *Proposed projects should provide at least the minimum amount of public use space required by the Zoning Ordinance (i.e., 10 percent for Standard Method projects and 20 percent for Optional Method projects). Such spaces are to be located within or adjacent to the proposed project. The public spaces are designed to contribute to an active and vibrant downtown.*

Language added by Resolution No. 14-346, attached to this document.

Public spaces are public or private property devoted to use by the public. They must be easily and readily accessible. Any public spaces must be open during normal hours of Metro operation, or during such hours as appropriate for a public use. The following features represent a sample of the items which may be provided in fulfillment of the public space requirement:

- Green areas and parks
- Outdoor gardens
- Interior gardens
- Promenades
- Plazas

- Recreation space
- Cultural arts centers
- Public performance space
- Public events space
- Arcades
- Pathways
- Community rooms
- Public art galleries
- Passive recreation areas
- Active recreation areas

There are also specific public spaces that must be provided as part of developments encompassing the areas where these existing (or planned) public spaces are located. Development(s) within these portions of the Urban Renewal Area will be expected to include these public spaces as part of their development. The extent to which an individual developer will be responsible for public spaces in addition to the minimum will depend on the density and impact of the development on the area.

Language amended by Resolution 14-346, attached to this document.

Specific public spaces which must be provided include:

- **Friendship Park/Silver Triangle** - Friendship Park is a planned 2-acre, public space to be located west of Georgia Avenue within the approved Silver Triangle Office Project. Should the office project not be built, it is expected that a similar facility would be provided.
- **Silver Spring Shopping Center Plaza** - The Silver Spring Shopping Center is a historic site and was designated on the *Master Plan for Historic Preservation* in 1994. The existing parking area that currently fronts the shopping center is an integral part of this historic site and must be treated in a way that is compatible with acceptable preservation practices.

Developers will be required to submit and implement an adaptive reuse plan for the site, and plans for restoring the building at the time development plans are submitted. Any project must comply with applicable State and County Historic Preservation Regulations and procedures.

- **Armory Place** - The Armory was designated on the *Master Plan for Historic Preservation* in 1986. The existing 1.6-acre public space currently surrounding the Armory structure is an integral part of this historic site and must be treated in a way that is compatible with acceptable preservation practices. Armory Place is an important public space and any portion which is no longer available as “public space” due to redevelopment or reuse must be replaced. All projects must comply with applicable State and County Historic regulations and procedures.
- **Kughn Park** - Any proposed project that encompasses the Kughn Park site must retain (and maintain) this facility or else replace the park on an acceptable site within the Central Business District, unless a proposed project redevelops City Place.

Existing public spaces such as (Armory Place and Kughn Park) do not count toward the minimum Public Space requirement because these facilities currently exist. In addition to the minimum public use space requirements described above, the Planning Board may require additional amenities in Optional Method projects at the time of Project Plan approval. Requests for additional public amenities from the developer will be project-specific, depending on the proposal submitted to the Planning Board for approval.

Performance Guidelines for the Public Space Criterion

Public spaces can be designed and enhanced in a number of ways. The following guidelines are not intended to stipulate specific design solutions:

- The proposed project should meet or exceed the requirements for public spaces as described in the Zoning Ordinance, and this Urban Renewal Plan.
- Proposed public spaces should reflect the cultural diversity of Silver Spring through programming, promotion, and design. This is typically implemented through the Site Plan Enforcement Agreement.
- Proposed public spaces should contribute to day and evening activity, seven days a week in the Urban Renewal Area and adjacent parts of the Central Business District. The proposed public spaces should be edged by shops, restaurants, and other

activities that are open on the evenings and weekends. Public spaces designated for evening use should be lively places that attract people and promote pedestrian activity.

- Public places should be sized according to the number of people expected to use the space. Large squares and plazas should accommodate such activities as competitions, festivals, dancing, music, an outdoor theater, etc.
- Public activity nodes should be provided within the path network of the site.
- Public spaces should have focal points to attract people. Central features such as fountains, large trees, statues, clock towers, and seating should be located where natural pathways intersect. Proposed projects should provide public art.
- Transit stops should be designed to form small nodes of public life by incorporating other activities such as information kiosks, newsstands, maps, landscaped spaces, articulated road crossings, eateries, and public open spaces.

Criterion Two - Pedestrian Circulation

Pedestrian activity is essential to creating a vibrant urban core. The pedestrian network integrates the street corridors, public spaces, and building masses of an urban center into an identifiable and unique district. *The pedestrian system provided by proposed projects should link pedestrians to all major activities within the Core of the Central Business District and adjoining areas, and provide an attractive urban environment.*

Performance Guidelines for the Pedestrian Circulation Criterion

The following guidelines are not intended to stipulate specific design solutions:

- The proposed project should conform at a minimum to the Silver Spring Streetscape Standards, and this Urban Renewal Plan.

- The proposed project provides efficient, safe, and attractive at-grade pedestrian linkages to the Silver Spring Transit Hub.
- The proposed project provides sidewalk/pathway systems and street crossings in both the public right-of-way and privately owned areas that encourage people to walk.
- Given the significance of Fenton Street as an important pedestrian link within the Central Business District, projects within the Urban Renewal Area may satisfy a portion of their amenity requirement by designing and constructing an approved streetscape along Fenton Street or making proportionate contributions to streetscaping on Fenton Street.

Criterion Three - Security

People will use public open space if they feel safe and comfortable within it. Downtown Silver Spring can become increasingly inviting if sidewalks and public spaces are well furnished, well-maintained, and readily identifiable. Proposed projects should promote walking, strolling, and congregating in a safe and lively atmosphere. *Proposed projects should incorporate the principles of crime prevention through environmental design by integrating visibility, pedestrian activity, and programming into the project layout.*

Performance Guidelines for the Security Criterion

The following guidelines are not intended to stipulate specific design solutions:

- Tree canopies and shrub heights should maximize visibility.
- The design and layout of buildings in relationship to public spaces should promote pedestrian activity, views into the site from surrounding areas, and visibility from building windows and doorways into the public spaces so people feel safe when using these areas.
- Public spaces should be programmed for regular activity.
- The proposed project should provide architectural lighting that is visually appealing and promotes a safe environment at night.

Criterion Four - Compatibility

Development in the Urban Renewal Area should respect the forms of a traditional downtown and be integrated in such a way that it is sensitive to its surroundings. Individual projects should also be designed with sensitivity to the relationship between the building and the street, since this location “sets the stage” for human interaction. *Proposed projects should demonstrate sensitivity to their urban context by providing high-quality design, well-articulated facades, frequent opportunities for moving between the interior and exterior environment, street-activating uses, building massing, and operational characteristics that are compatible with adjacent, existing, and proposed projects.*

Performance Guidelines for Compatibility

The following guidelines are not intended to stipulate specific design solutions:

- The proposed project must satisfy the requirements set forth under the “Land Use Plan” section of this Urban Renewal Plan.

- The proposed project must satisfy the density limits, and other development standards set forth in the Zoning Ordinance for the underlying zones, and as modified with regard to building heights in the “Development Envelope” section of this Urban Renewal Plan.
- The proposed project must not exceed the height restrictions set forth for the underlying zones, as modified in the “Development Envelope” section of this Urban Renewal Plan. All buildings should contribute to the downtown skyline by varying building heights and providing focal points within the architectural complex.
- Buildings should provide setbacks that are consistent with adjacent structures to provide a continuous facade along the street.
- The proposed project must provide street-level uses that contribute to an active pedestrian environment, e.g., street-facing retail with immediately recognizable main entrances. Commercial projects along Colesville Road, Georgia Avenue, and Fenton Street should provide street facing retail at grade level. Uses requiring larger, massive spaces should be located above and behind the street-level retail. Building facades should be designed to be an integral part of the streetscape; that is, the facades should be articulated with such elements as windows, display space, and entrances to individual establishments within the building(s).
- The edge of the proposed project should be compatible with the uses and visual qualities of the structures that surround it in terms of proportion, texture, form, massing, and transitions between the proposed project and the adjoining buildings along the street.
- Large retail stores, shopping malls, recreational, entertainment, and cultural facilities should utilize transparent construction materials in appropriate locations.

- Pedestrian bridges and structures that cross existing rights-of-way will not be permitted over Georgia Avenue, Colesville Road, Cedar Street, or Wayne Avenue. Elsewhere in the Urban Renewal Area, pedestrian connections could form an arch, gateway, or covering, and utilize transparent construction materials. Such connections must provide for attractive and active pedestrian environments underneath them.
- Outdoor public spaces which are intended to be programmed for large/loud gatherings should be oriented away from existing residential neighborhoods.
- Urban Renewal projects abutting Cedar Street should provide a suitable area for uses that are compatible with the existing development on the opposite side of Cedar Street outside the Urban Renewal Area.
- Projects abutting St. Michael's Church should provide a suitable buffer area and ensure adequate vehicular and pedestrian access to the church.

Criterion Five - Historic Preservation

An important objective of this Plan is to preserve historic structures in the Silver Spring Central Business District, while appropriately integrating them into new projects and adaptively reusing them. Preservation of historic sites includes not only retention/rehabilitation of the existing structures, but also maintenance of appropriate environmental settings and the creation of new uses for historic buildings to keep them actively and productively occupied. The historic preservation review process will need to be coordinated with the overall development approval process. *Proposed projects must be consistent with the Master Plan for Historic Preservation and follow the requirements of the historic preservation process as outlined in Chapter 24A of the Montgomery County Code. Projects which utilize State or federal funds, and which are eligible for the National Register of Historic Places, must be consistent with appropriate State or federal regulations and processes.*

Performance Guidelines for the Historic Preservation Criterion

It is the intent of the Amended Urban Renewal Plan to promote the preservation and active reuse of the Silver Theatre and Shopping Center Complex, the Tastee Diner, the Silver Spring Armory, and the old Hecht's Department Store building. The following guidelines are not intended to stipulate specific design solutions:

- **Silver Theatre and Shopping Center Complex**

The Silver Theatre and Shopping Center Complex opened in 1938. It was designed by noted theater architect John Eberson and has been determined to be eligible for the National Register. It is significant as a rare example of an early planned neighborhood shopping center with parking integrated into the complex. Architecturally, the Silver Theatre and Shopping Center embody the distinctive characteristics of streamlined Modern styling with Art Deco detailing.

The amendment to the *Master Plan for Historic Preservation*, which designated this complex as a historic site, included a great deal of detailed design guidance. (It is important to note that interior changes are not reviewed by the Historic Preservation Commission.) All development applications must comply with the requirements and restrictions established in the *Master Plan for Historic Preservation* for The Silver Theatre and Shopping Center Complex.

- **Tastee Diner**

The Tastee Diner was transported to and assembled on its current site in 1946. It is a good example of an early 20th century diner - a classic vernacular commercial building form that represents the type of "roadside" architecture which sprang up in the U.S. in the 1930s and 1940s as a result of the increasingly mobile, car-oriented society of the period.

The amendment to the *Master Plan for Historic Preservation*, which designated this building as a historic site, included a great deal of detailed design guidance. All development applications must comply with the guidance in the designation amendment.

- **Silver Spring Armory**

The Silver Spring Armory was constructed in 1927 and is significant for its association with the formation of the nation's modern military reserve and because of its commemorative and its symbolic association with the Maryland National Guard's 29th Division. It also has strong historical associations with the careers of the founding fathers of modern day Silver Spring, Frank L. Hewitt and E. Brooke Lee, and has generally played a key role in the 20th century economic and social development of Silver Spring. The Silver Spring Armory was designated on the *Master Plan for Historic Preservation* in 1986.

It is an objective of this Urban Renewal Plan to preserve the Armory within an appropriate environmental setting and with an upgraded level of interior facilities, while still allowing for successful retail redevelopment of the Silver Spring CBD. The Armory can contribute to the revitalization of the Silver Spring CBD as an important civic facility, well used by the public; however, it is essential that it be brought up to the same high-quality standard as is anticipated for private retail and commercial developments. All development applications must comply with the requirements and restrictions established in the Master Plan for Historic Preservation for the Armory, and comply with the guidance in the designation amendment.

- **Old Hecht's Building**

The old Hecht's Building was constructed in two sections in 1947 and 1950. It is significant both for its architectural styling -- Modern with Art Deco influences -- and for its historic importance as the first major department store in the Washington area located in the suburbs rather than downtown.

This building is on the *Locational Atlas* as part of a potential Silver Spring Historic District. The 1993 Sector Plan indicates that the potential historic district has been altered and its significance will be evaluated in the future. The old Hecht's Building may ultimately be included on the *Master Plan for Historic Preservation*. This building should be dealt with in accordance with Chapter 24A of The Montgomery County Code.

This building has been adapted for retail use as part of The City Place Project. It should be retained and adaptively reused under any redevelopment option.

Criterion Six - Transportation

The design and function of streets, including the public rights-of-way, is a defining component of the Silver Spring CBD. In addition to providing both pedestrian and vehicular access, streets provide a setting for the life and establish the character of a vibrant city. Projects within the Urban Renewal Area have the opportunity to substantially enhance the pedestrian environment. Convenient access must be provided to the Central Business District from locations in the County and the region. Increased ridership on public transportation and the promotion of adequate pedestrian and bicycle facilities are critical to this effort. *Proposed projects should provide safe and efficient circulation for transit, motorists, bicyclists, and pedestrians and adequate access to other uses and community services in the Central Business District.*

Performance Guidelines for the Transportation Criterion

All new development in the Urban Renewal Area must comply with all applicable State and County transportation laws and regulations. The Silver Spring Sector Plan and the Urban Renewal Plan establish general transportation planning guidance for projects in the Urban Renewal Area and requirements for circulation systems. Current transportation guidelines as approved by the Planning Board, adopted State and County policy, and State and County regulations specify the measures that will ensure that the transportation impact of any project in the Urban Renewal Area will be minimized to the extent possible given the overall desirability to concentrate uses in areas which are well served by public infrastructure.

A network of public rights-of-way is essential to vehicular and pedestrian movement in the Silver Spring CBD. This network also provides a setting for active street life. This Urban Renewal Plan provides for limited relocation, abandonment, and closure of selected public rights-of-way, such as portions of Ellsworth Drive, Pershing Drive and Fenton Place, to enhance pedestrian and vehicular circulation and improve public space. Fenton Street should be retained as a major pedestrian and vehicular link providing access to the adjacent Fenton Street Village.

Proposed projects should provide high-quality pedestrian connections to the Silver Spring Transit Hub, using sidewalks in the near term and identifying potential longer-term pedestrian circulation improvements.

Proposed projects should foster circulation patterns that provide for neighborhood protection, both from excessive non-local vehicular traffic and non-local parking.

Criterion Seven - Environmental Quality

All projects in the Urban Renewal Area must comply with all applicable State and County environmental laws, regulations and guidelines.

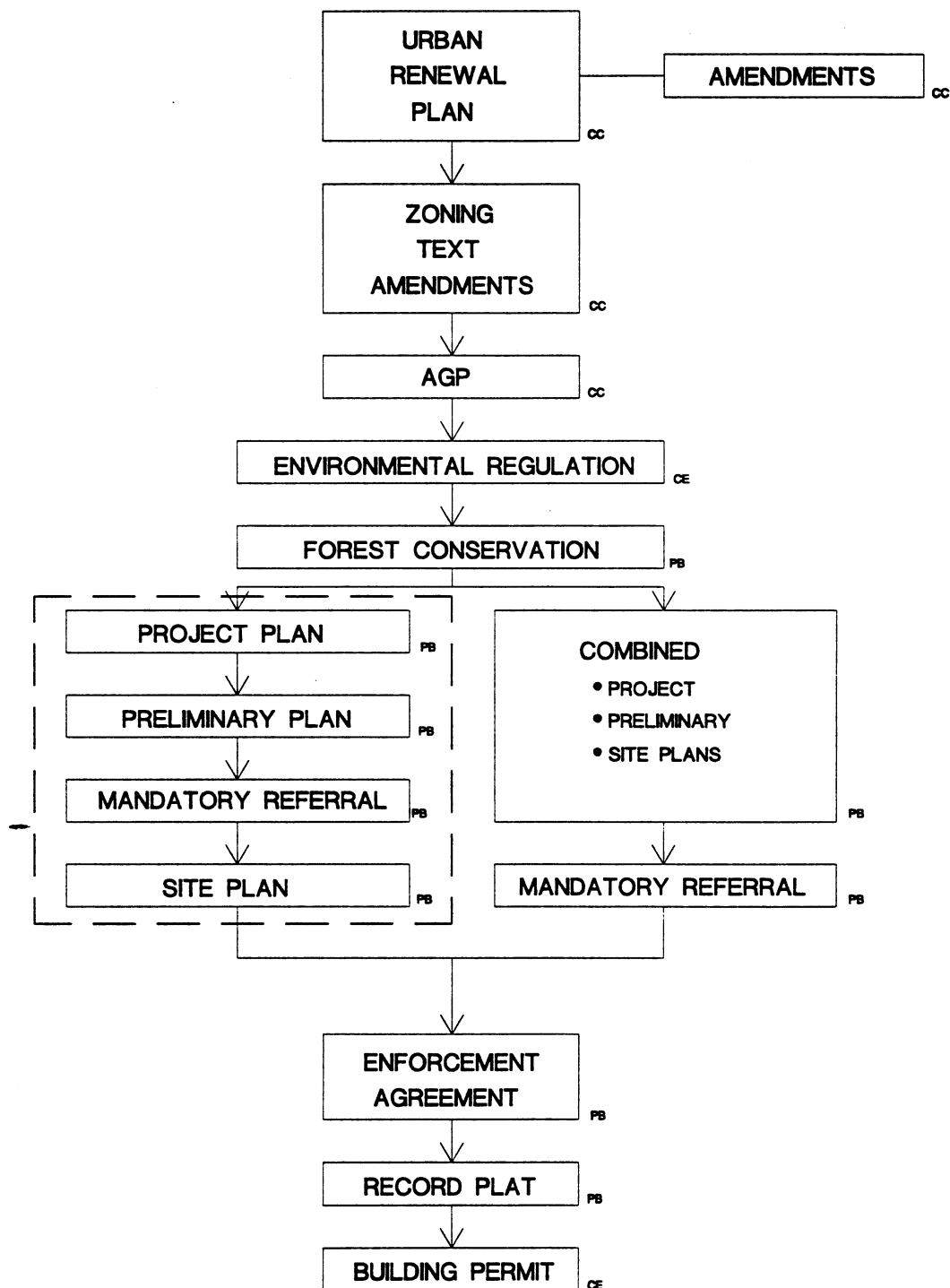
C. TEXT AMENDMENTS NEEDED TO IMPLEMENT THE URBAN RENEWAL PLAN

Two text amendments are required to implement the Urban Renewal Plan. The text amendments should implement the following changes:

1. Project Plan Findings - The requirement that a Project Plan conforms with an Approved and Adopted Sector Plan will be modified to require conformance with any applicable approved Sector Plan or Urban Renewal Plan.
2. Permitted Uses - Entertainment uses would be clarified and would, along with hotels, be considered Permitted Uses in Urban Renewal Areas.

PROPOSED PROCESS

FIGURE III-4



3. **Transfer of Density** - Projects within the Urban Renewal Area with unique features (i.e., entertainment, recreation, education, and cultural facilities) would be permitted to transfer density across public rights-of-way and across closed streets. However, density should be transferrable to CBD-0.5 property abutting or adjoining residentially zoned property only if the Planning Board determines that resulting projects are compatible with adjoining and confronting residential properties. The Planning Board would review the transfer of density during the approval of the Project Plan.
4. **Increases in Building Height** - Maximum building heights would be modified for projects in the Urban Renewal Area, as follows:
 - a. The maximum building height in the CBD-2 Zone would be increased from 143 feet to 200 feet for Optional Method projects, where specified in the approved Urban Renewal Plan.
 - b. The maximum building height in the CBD-1 Zone would be increased to 143 feet for Optional Method projects, where the Planning Board finds at Project Plan that 143-foot tall buildings are compatible with adjoining uses and that sufficient buffers are provided along adjoining properties in zones less intense than CBD-2.
 - c. The maximum building height in the CBD-0.5 Zone would be increased to 90 feet for Optional Method projects, where specified in an approved Urban Renewal Plan.
5. **Development Process** - An expedited approval process should be permitted for all projects within the Urban Renewal Area. This process would allow a Project Plan, Preliminary Plan, and Site Plan to be submitted as one application, at the developer's option, with one action by the Planning Board. Figure 12 compares the existing approval process to the alternative, a combined Project Plan, Preliminary Plan, and Site Plan.

6. Applications for Optional Method of Development - The provision that a project plan application may be submitted for property in the Urban Renewal Area without ownership of the land should be extended to all development applications for such ground, as contemplated by this Plan.

Language added by Resolution No. 14-346, attached to this document.

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IV. IMPLEMENTATION STRATEGY

A. Land and Property Acquisition

Under Chapter 56 of the Montgomery County Code, in order to carry out and effectuate urban renewal projects, Montgomery County is authorized and empowered, by condemnation or other means, to acquire land and property of every kind and any right, title, interest, franchise, easement, or privilege therein, including land or property of any right therein already devoted to public use. Such land and property may be acquired by purchase, lease, gift, option, condemnation, or any other legal means; provided, however, that any land or property owned by the State of Maryland shall not be acquired without prior consent of the State.

Land and property may be acquired in order to achieve the following:

1. remove substandard conditions and blighting influences;
2. provide developable parcels for redevelopment in accordance with this Plan or in accordance with agreements between the County and a developer to carry out and effectuate this Plan;
3. provide land for public rights-of-way and public improvements or facilities; and
4. satisfy such other conditions as are determined by the County to be in the public interest to meet the goals and objectives of the Urban Renewal Plan.

In order to carry out and effectuate this Urban Renewal Plan, the County may acquire any of the properties listed in Appendix A, attached hereto and incorporated herein, titled, "List of Properties in the Amended Urban Renewal Area." Unless otherwise provided, public acquisition of land and property under this Urban Renewal Plan will be limited to the area designated as Part One in this Urban Renewal Plan. Public acquisition of land and property in the portion of the Urban Renewal Area designated as Part Two may only occur: (a) to clear title defects in order to carry out and effectuate urban renewal projects in the Part Two area; and (b) by amendment to the Plan which authorizes acquisition in the Part Two area.

B. Relocation

The County will provide relocation assistance to residential and business tenants that are displaced by the County's acquisition and reuse of properties in connection with the Urban Renewal Area in accordance with applicable state law and regulations. The County's goal is to assure that the displaced businesses are relocated as equivalent and viable businesses, preferably remaining in downtown Silver Spring. The County will coordinate with other business assistance programs through the Department of Economic Development and Department of Housing and Community Affairs. For residential displacees, the County must provide a comparable form of housing that is decent, safe and sanitary and meets all applicable housing code requirements.

Entitlement to relocation benefits arises upon a written offer to the owner to acquire the property on which a displacee's residence or business is located. When the County has submitted a written offer to buy the property where the displacee's business or residence is located, written notice will be provided to the displacee's business or residence advising of such action. A copy of the Business Relocation Rights and Benefits or the Relocation Assistance to Tenants Displaced from their Homes will accompany such notice. The prospective displacee is advised to work closely with the Redevelopment Office to assure a smooth relocation of their business or residence. Once the County has purchased the property, unless the County and the displacee agree otherwise, all tenants and businesses will receive a Notice to Vacate the property no earlier than 90 days from date of the notice. The County will honor the basic lease terms under leases with prior owners, if appropriate, during the term of continued occupancy provided it does not interfere with or impair the County's ability to implement this Urban Renewal Plan. The displacee may elect to set-off all rent due to the County during occupancy from their relocation entitlement, if any.

The County's obligation to make payment for the relocation benefits to which a displacee may be entitled arises upon verification by the County of the displacee's proper application of the relocation benefits (i.e. reimbursement for actual costs of relocation or a lump sum "payment-in-lieu" if the displacee goes out of business) in accordance with the payment method elected by the displacee. If the displacee can demonstrate a hardship, it may apply for benefits to be paid at an earlier date; provided that the earlier payment does not create a detriment to the Project. The County shall provide written notice of the award to the displacee.

In Part I of the Urban Renewal Area, fifty-five businesses were eligible to receive relocation assistance. Approximately twenty-nine businesses relocated in downtown Silver Spring.

C. Interim Use:

It is essential to encourage and promote activities in the Urban Renewal Area during the interim period awaiting the permanent redevelopment of the area. An interim use plan must be developed and ready to implement as the County acquires property. Demolition of selected sites will occur based upon and in accordance with the Demolition Policies in this Plan.

The interim use plan should provide attractions for people of all ages. These uses could be recreational or leisure in nature, such as open green space, picnic areas, play areas, volleyball, bocce, and basketball courts, chess-tables, in-line skating, and roller hockey areas. The area must be easily accessible, well lit with adequate parking and security and open to the business and residential communities as many hours as possible.

A County agency/department will be assigned to maintain and operate the area. The agency/department responsible for the maintenance and operation of the interim use area should pro-actively market the interim use site by planning special events, competitions and league games.

Opportunities should be explored to encourage spin-off or promotion of businesses in the downtown area by creating sponsorships or joint marketing of activities in the interim use area. It is important to create a sense of ownership in the interim use area by the businesses and civic communities. This will encourage the use and care of the area by the Silver Spring community.

D. Demolition Policies

The County will consider demolition of selected properties based on the following factors:

1. condition of the property;
2. occupancy of the building;
3. potential incorporation of the property into the interim use plan; and
4. use in the final redevelopment project.

Demolition of property must be in compliance with all County regulations and required permits. Disturbed land will be stabilized after demolition, including: grading, drainage, filling, leveling, seeding, and landscaping, as well as providing adequate materials for erosion control.

If a building is designated in the *Master Plan for Historic Preservation*, the building will not be demolished. If the historic building is in poor condition, it will be stabilized. All buildings that are not demolished and are vacant will be secured and provided with adequate exterior lighting.

E. Redevelopment Controls

To foster and promote the orderly development, redevelopment and rehabilitation of property within the Urban Renewal Area, to fulfill the goals and objectives of this Urban Renewal Plan, and to encourage development in accordance with this Plan, owner(s) of property within the Urban Renewal Area must:

1. In the case of development proposed under the standard method of development, submit site plans to the Planning Board for review and consultation only;
2. In the case of development proposed under the optional method of development, either (a) comply with the procedure established for approval of the optional method of development as set forth in Division 59-D-2, and submit site plans for approval in accordance with the provisions of Division 59-D-3 of the Montgomery County Code, or (b) comply with the procedure established for approval of development in urban renewal areas in accordance with the provisions of Division 59-D-5 of the Montgomery County Code;
3. Submit any development activity requiring public approval by a federal, state and/or County body to the Silver Spring Redevelopment Program Office, or the appropriate redevelopment entity or authority established by the County (the Redevelopment Entity), for review and comment. The Redevelopment Entity must comment on the activity requiring public approval within sixty days. There will be consultation between the staff of the County Redevelopment Entity and the Planning Board staff throughout the design and development phases of projects within the Urban Renewal Area. In the case of approvals requested of the Montgomery County Planning Board, the greatest weight shall be given to the comments of the Redevelopment Entity prior to any appropriate approvals being granted;
4. Submit all contract drawings and specifications for structures, site improvements, signs, and landscape development, etc. (collectively referred to as the Redevelopment Plans and Specifications) to the Redevelopment Entity for written approval and certification that such activities will conform to the overall objectives and provisions of this Plan, before construction is commenced; and
5. Comply with all applicable federal, state and/or County laws, regulations and ordinances.

F. County Agreements

Under Chapter 56 of the Montgomery County Code, in order to carry out and effectuate urban renewal projects, Montgomery County is authorized and empowered to make and execute all contracts, agreements, deeds, leases, franchises, or other legal instruments. Montgomery County is further authorized and empowered to sell, lease, convey, transfer or otherwise dispose of or retain any land or property to any private, public or quasi-public corporation, partnership, association, person or other legal entity for such term and under such conditions as may be necessary or convenient to exercise and carry out its urban renewal plans, regardless of whether or not such land or property has been developed, redeveloped, altered or improved and irrespective of the manner or means in or by which it may have been acquired.

Developer(s) who may be conveyed land and property in the Urban Renewal Area through purchase, lease or other means, will be obligated by this Plan to enter into a Development Agreement with the County. The Development Agreement will outline and define the roles and responsibilities between the County and the developer, thereby establishing a public/private partnership for development of the Urban Renewal Area, or a portion thereof. At a minimum, the Development Agreement will:

1. provide the framework for public incentives to the developer;
2. incorporate recommendations by the community which have been accepted by the County for development of a project;
3. require that the developer devote such real property only to the uses specified in the Urban Renewal Plan and the Development Agreement;
4. include leasing and financial milestones which would require and assure that the developer begin and complete the development of such land and property within a reasonable time as specified in the Development Agreement;
5. submit all contract drawings and specifications for structures, site improvements, signs, and landscape development, etc. (collectively referred to as the Redevelopment Plans and Specifications) to the Redevelopment Entity for written approval and certification that such activities will conform to the overall objectives and provisions of this Plan, before construction is commenced;
6. require that the developer retain whatever interest was acquired from the County in the land and property until completion of construction and development of the project; and

7. comply with such other requirements consistent with the Urban Renewal Plan and as are determined to be in the public interest.

V. MISCELLANEOUS

A. Severability

This Plan will be construed and governed by the laws of the State of Maryland. Should any provision of this Plan be deemed illegal or unenforceable under the laws of said jurisdiction, it will be considered severable, and the balance of this Plan shall remain in force as though the said provisions had never been included.

B. Modification or Amendment

This Plan may be modified or amended at any time upon the approval of such modification or amendment by the County Council for Montgomery County and such modification or amendment shall be binding upon all developers, their successors and assigns.

C. Duration Of Provisions

This Plan, including any modification or amendment thereto shall be in full force and effect for a period of forty (40) years from the date of the initial approval of the Plan by the County Council for Montgomery County unless earlier terminated by the County Council. The termination of this Plan and modifications or amendments thereto shall not apply to covenants running with the land.

Resolution No: 13-816
Introduced: March 11, 1997
Adopted: March 11, 1997

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Approval of expanded urban renewal project area and Silver Spring Urban
Renewal Plan Amendment

Background

1. Under Chapter 56, Article III of the County Code, the County Council is authorized to initiate, carry out and implement urban renewal projects.
2. On April 28, 1992, by Resolution 12-634, the County Council declared a portion of downtown Silver Spring as blighted under the County urban renewal law and designated the area the Silver Spring Retail Redevelopment Urban Renewal Project.
3. On August 5, 1992, by Resolution 12-801, the County Council approved the Silver Spring Retail Redevelopment Urban Renewal Project Plan establishing County policies and objectives for the redevelopment of the core of downtown Silver Spring. The urban renewal plan was designed to accommodate the Silver Triangle Shopping Center, a two department store anchored mall, as the preferred project for the redevelopment of the retail portion of the Urban Renewal Area.
4. In mid-1996, the County Executive requested that the Silver Spring Urban Renewal Plan be amended and updated to allow development concepts in addition to a two department store anchored mall to be considered in the redevelopment of Silver Spring.
5. On December 20, 1996, the Montgomery County Planning Board transmitted to the County Council the Development Plan amendment to the Silver Spring Urban Renewal Plan. The Development Plan amendment establishes the land use objectives, design guidelines, and performance criteria to guide and control the redevelopment of the Silver Spring downtown core.
6. On December 30, 1996, the County Executive transmitted to the County Council a proposal to expand the urban renewal area and to amend the Silver Spring Urban Renewal Plan by

identifying redevelopment opportunities and implementation strategies for redevelopment. The expanded urban renewal project area includes all the property and improvements in the area described on Exhibit I attached to this resolution. The County Executive has concluded that within the described area, a majority of the buildings have declined in productivity by reason of obsolescence, depreciation or other causes that they no longer justify fundamental repairs and adequate maintenance. The County Executive recommends that the County Council declare the area to be a blighted area appropriate for an urban renewal project, to be rehabilitated and redeveloped in the interest of the public health, safety, and welfare.

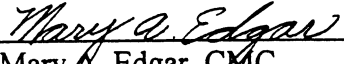
7. On January 14, 1997, the proposal to expand the urban renewal area and amendments to the Silver Spring Urban Renewal Plan were submitted by the Council to the Planning Board for review and recommendation.
8. On February 18, 1997, the County Council held a public hearing on the proposal to expand the urban renewal area and amend the Silver Spring Urban Renewal Plan.
9. On February 24, 1997, the Council's Planning, Housing, and Economic Development Committee conducted a worksession, at which consideration was given to the public hearing testimony and the comments and concerns of the Planning Board and other interested parties. The Committee recommended approval of the expanded urban renewal area and the amendments to the Silver Spring urban renewal plan with certain modifications.
10. On March 11, 1997, the County Council reviewed the documentation for the expanded urban renewal area, the amendments to the Silver Spring Urban Renewal Plan, and the recommendations of the Planning, Housing, and Economic Development Committee.

Action

The County Council for Montgomery County, Maryland, approves the following resolution:

- The County Council finds that a blighted area, as defined in Montgomery County Code Section 56-9 with the impacts described in Section 56-8, exists in the area described in Exhibit 1, attached to this resolution. The County Council finds that the rehabilitation and redevelopment and urban renewal of this area is necessary in the interest of the public health, safety, morals, and welfare of the residents of the County.
- The Council approves the amended Silver Spring Urban Renewal Plan for the area described in Exhibit 1.
- This resolution supersedes the Retail Redevelopment Urban Renewal Project area established under Resolution No. 12-634, adopted by the Council on April 28, 1992.

This is a correct copy of Council action.



Mary A. Edgar, CMC
Secretary of the Council

Resolution No. 14-346
Introduced: August 3, 1999
Adopted: November 16, 1999

COUNTY COUNCIL FOR
MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Amendments to Amended Silver Spring Urban Renewal Plan

Background

1. Under Chapter 56, Article III of the County Code, the County Council is authorized to initiate, carryout and implement urban renewal projects.
2. On March 11, 1997, by Resolution 13-816, the County Council approved the Amended Silver Spring Urban Renewal Plan.
3. On July 30, 1999, the County Executive transmitted to the County Council amendments to the Amended Silver Spring Urban Renewal Plan to: (1) modify references to the 1993 Silver Spring CBD Sector Plan, (2) relax height restriction for Optional Method projects in the area bounded by Colesville Road, Wayne Avenue, and Georgia Avenue, (3) add flexibility for the display and design of signs, (4) allow projects to charge reasonable admission fees for use of interior public space to offset certain operating and maintenance expenses, and (5) include Discovery Plaza as a specific public space that must be provided.
4. On August 2, 1999, the proposed amendments to the Amendment Urban Renewal Plan were submitted by the County Council to the Montgomery County Planning Board for review and recommendation.
5. On September 14, 1999, the County Council held a public hearing on the proposed amendments the Amended Silver Spring Urban Renewal Plan.
6. On October 4 and 25, and November 9, 1999, the Planning, Housing, and Economic Development Committee held worksessions, at which time consideration was given to the public hearing testimony and the comments of the Planning Board and other interested parties.
7. On November 16, 1999 the County Council reviewed the amendments to the Amended Silver Spring Urban Renewal Plan and the recommendations of the Planning, Housing, and Economic Development Committee.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Amendments to the Amended Silver Spring Urban Renewal Plan, dated March 11, 1997, are approved as follows:

1. Amend each reference to the 1993 Silver Spring CBD Sector Plan to refer to the Approved and Adopted Silver Spring Central Business District Sector Plan.
2. Amend page III-11 to add a new paragraph "e" to read as follows:

e. Buildings in the area bounded by Colesville Road, Wayne Avenue and Georgia Avenue should be allowed up to 200 feet. Rooftop architectural features for optional method projects may be permitted in this area subject to project plan approval. This would create an opportunity for greater building height at the center of the CBD and a transition to lower building heights towards the periphery of the CBD. This would also create an opportunity for a landmark building at this central urban location and focus the most intense development near the transit station.

3. Amend page III-13 to add a new paragraph 5, "Visual Imaging and Signage", and renumber remaining paragraph:

5. Visual Imaging and Signage

Although the basic process for approving signage outside the Urban Renewal Area will remain the same, increased flexibility in the number, size, location and design of signage is desirable in the Silver Spring Urban Renewal Area to create interest and an active daytime and nighttime environment. With the construction of the Downtown Silver Spring project and the pending development of Discovery Communication, Inc.'s World Headquarters building, the Urban Renewal Area can become a high-energy commercial and entertainment district for the Silver Spring community. Signage, lighting and graphic arts displays could play an important role in communicating vibrancy and creating interest in the downtown. In addition to standard signage, special signage (e.g., large-scale projection or video screens) is encouraged to help create nighttime interest in the downtown and help populate the street and pedestrian paths and other public spaces, creating a more secure environment. Expanded signage opportunities could also help attract and retain tenants to the Downtown Silver Spring project. A comprehensive approach to visual imaging and signage for projects within the Urban Renewal Area will help create a distinctive and identifiable urban destination.

4. Amend the second paragraph under the heading "Criteria One - Public Space" to read as follows:

Public spaces are public or private property devoted to use by the public. They must be easily and readily accessible. Exterior public spaces must be open during normal hours of Metro operation, or during such hours as appropriate for an exterior public use. Interior public use spaces must be open to the public as appropriate for the use.

The following features represent a sample of the items which may be provided in fulfillment of the public space requirement:

- Green areas and parks
- Outdoor gardens
- Interior gardens
- Promenades
- Plazas
- Recreation space
- Cultural arts centers
- Education space
- Observation galleries
- Public performance space
- Public events space
- Arcades
- Pathways
- Community rooms
- Public art galleries
- Exhibit space
- Passive recreation areas
- Active recreation areas

5. Amend page III-15 under the heading "Criteria One - Public Space" to replace the description of "Friendship Park/Silver Triangle" with the following:

Discovery Plaza - Discovery Plaza should provide a significant public open space amenity as part of the development to be located in the area bounded by Colesville Road, Georgia Avenue, and Wayne Avenue. The plaza should incorporate the Silver Spring Green Trail, Silver Spring Streetscaping elements and significant landscaping and lighting features to provide an attractive gateway to the Central Business District for those using the Silver Spring Transit Center. Discovery Plaza should be appropriately sized for an urban gathering space supporting the development of which it is a part, as well as nearby development, and it should complement the Town Square which is envisioned as the predominant community gathering space. Additional flexibility

concerning the size and treatment of Discovery Plaza should be given if other significant public use spaces and amenities are provided as a part of the development.

6. Add a new paragraph 7 on page III-28 to read as follows:

Exemptions from Building Height. Rooftop architectural features for optional method projects where recommended in an approved Urban Renewal Plan should be added to the list of exemptions from building height of Section 59-B-1.1 of the Zoning Ordinance.

7. Add a new page III-28 and a new Paragraph No. 7, "Visual Imaging and Signage", to read as follows:

7. Visual Imaging and Signage. Division 59-F of the Montgomery County Zoning Ordinance should be amended to provide greater flexibility and to permit a greater variety of visual imaging and signage elements for optional method developments within the Urban Renewal Area. The sign ordinance should be amended to authorize the Montgomery County Sign Review Board to review and approve a sign concept plan for optional method projects within the Urban Renewal Area and to recommend issuance of sign permits that conform to the approved sign concept plan. The sign ordinance should require notification to the surrounding community and to the Planning Board or the Board's designee and that a public hearing be held by the Sign Review Board, on any sign concept plan submitted for approval. The sign ordinance should specify the standards to be applied and findings to be made by the Sign Review Board in approving a sign concept plan in the Urban Renewal Area. The standards should include a finding of consistency with the Visual Imaging and Signage recommendations of the Urban Renewal Plan. A sign concept plan is required for each optional method project.

In approving a sign concept plan, the Sign Review Board should not approve signage that would have a detrimental impact on other properties in the Central Business District or surrounding neighborhoods. Signage east of Fenton Street must conform to the same sign standards that exist for projects outside the Urban Renewal Area, including a variance requirement.

Rooftop signage or off-site signage may be approved by the Sign Review Board as part of a sign concept plan only: 1) if located within the Urban Renewal Area along the private portion of Ellsworth Drive (including the "Silver Circle"), or 2) with the concurrence of the Planning Board if located elsewhere in the Urban Renewal Area. An off-site sign for purposes of the Urban Renewal Area is a sign outside the project plan boundary.

8. Replace Figure 1-2, to show current boundary of Silver Spring Urban Renewal Area and location of the Silver Circle.

This is a correct copy of Council action.

A handwritten signature in cursive script, reading "Elda Dodson". The signature is written in dark ink and is positioned above a horizontal line.

Elda Dodson

Acting Clerk of the Council

EXHIBIT 1

APPENDIX C

Boundary Description of the Amended Urban Renewal Area

Beginning for the same at the intersection of the easterly right of way line of Georgia Avenue and the southeasterly right of way line of Wayne Avenue and running thence across Georgia Avenue; thence

1. Running with a part of the aforesaid southeasterly right of way line of Wayne Avenue, crossing an alley and Dixon Avenue; thence
2. Continuing to run with a part of the southeasterly right of way line of Wayne Avenue to the easterly right of way line of Ramsey Avenue; thence crossing Ramsey Avenue; thence
3. From a point on the westerly right of way line of Ramsey Avenue; thence running with a part of the aforesaid Wayne Avenue right of way line to intersect the southeasterly right of way line of Colesville Road; thence
4. Crossing the same to intersect the northwesterly right of way line of Colesville Road at the westerly right of way line of Second Street; thence
5. Crossing the Second Street right of way running in a northeasterly direction with a part of the same northwesterly right of way line of Colesville Road, crossing Ramsey Avenue and continuing to intersect the southwesterly right of way line of Georgia Avenue; thence
6. Crossing the same still running with a part of the northwest right of way line of Colesville Road, crossing Fenton Street; thence
7. Running with a part of the northeasterly right of way line of Fenton Street; crossing Colesville Road to the northwesterly right of way line of Roeder Road, thence crossing the same; thence
8. Running with a part of the northeasterly right of way line of Fenton Street to the southwest corner of a parcel described as Roeder's Addition to Silver Spring, Lot 19; thence
9. Leaving said right of way line of Fenton Street and running with a part of the northwesterly property line of said parcel to intersect with the southwesterly property line of a parcel described as Roeder's Addition to Silver Spring, Lot 6; thence

10. Running along said property line of Lot 6 in a northwesterly direction to intersect with the southeasterly right of way line of Roeder Road; thence
11. Running with a part of said right of way line of Roeder Road in a northeasterly direction to a point at the northwest corner of said Lot 6; thence
12. Leaving said right of way line of Roeder Road in a southeasterly direction along the northeasterly property line of said Lot 6 and continuing along the northeasterly property line of a parcel described as Roeder's Addition to Silver Spring, Lot 11 to intersect the northwesterly right of way line of Ellsworth Drive; thence
13. Leaving said property line of Lot 11 and running in a northeasterly direction with a part of said northwesterly right of way line of Ellsworth Drive to intersect the south right of way line of Spring Street; thence crossing the same to a point on the northeasterly right of way line of Cedar Street; thence
14. Running in a southeasterly direction along a part of said northeasterly right of way line of Cedar Street to intersect the northwesterly right of way line of Pershing Drive; thence
15. Crossing Pershing Drive in a southeasterly direction to the southeasterly right of way line of Pershing Drive; thence
16. Running in a southwesterly direction with a part of said southeasterly right of way line of Pershing Drive to a point at the southwest corner of a parcel identified as St. Michael's Church; thence
17. Leaving said southeasterly right of way line of Pershing Drive and running in a southeasterly direction along the southwesterly property line of the St. Michael's Church parcel to intersect the northwesterly right of way line of Wayne Avenue; thence
18. Crossing Wayne Avenue in a southeasterly direction to the southeasterly right of way line of Wayne Avenue; thence
19. Running in a southwesterly direction with a part of the same southeasterly right of way line of Wayne Avenue to intersect with the Fenton Street right of way; thence
20. Crossing Fenton Street and continuing in a southwesterly direction with a part of the same southeasterly right of way line of Wayne Avenue to intersect with Georgia Avenue at the point of beginning.

APPENDICES

AMENDED SILVER SPRING URBAN RENEWAL PLAN

Appendix A
LIST OF PROPERTIES IN THE AMENDED URBAN RENEWAL AREA

SILVER SPRING URBAN RENEWAL AREA
PART I (EAST OF GEORGIA AVENUE)

<u>Address</u>	<u>Owner</u>	<u>Tax Acc:</u>	<u>Legal Desc.</u>	<u>Lot Size</u>
925 Ellsworth	County	955553	P13	56,225
8533 Georgia	County	955542	P11, P12	11,437
8555 Georgia	County	955520	P1, P10	36,681
8617 Colesville	County	955531	P2, P3	18,114
8627 Colesville	County	974055	Lot4	10,052
8635 Colesville	County	982102	P5, P6	19,058
900 Ellsworth	County	962514	Pts 14+15	10,938
914 Ellsworth	County	960606	Lt12+13 Howl	11,052
930 Ellsworth	County	983185	Lt10+11 Howl	12,322
936 Ellsworth	McDonald's	974944	Lot 9 Howl	14,817
8529 Georgia	McDonald's	974933	Lot 8, Howl	11,532
8527 Georgia	County	974922	Lot 7 Howl	7,265
8521 Georgia	County	974955	Lt6 Howl + P5	11,488
8517 Georgia	LSB Picket	974911	P5 Howl	3,954
	Ltd. Partnership			
8501 Georgia	LSB Picket	981621	Lts4,3+P2 Howl	12,416
	Ltd. Partnership			
951 Pershing	Pershing	974977	Lot 24 Howl	6,419
	Ltd. Partnership			
951 Pershing	Pershing	974966	P23 Howl	2,055
945 Pershing	County	951908	P22, P23 Howl	4,949
933 Pershing	County	951910	P22 Howletts	4,368
933 Pershing	County	952093	P21 Howletts	4,776
931 Pershing	County	965153	P21 Howletts	3,090
927 Pershing	County	953474	Lot 20 Howl	8,116
911 Pershing	County	953463	P18, P19 Howl	7,905
909 Pershing	County	978953	P18, P17 Howl	4,063
901 Pershing	County	975312	Lot 16 Howl	7,304
925 Wayne	M-NCPPC	1046521	Lot1 Blk2	11,926
925 Wayne	M-NCPPC	1046532	Lot2 Blk2	8,023
925 Wayne	M-NCPPC	1046543	Lot3 Blk2	12,445
925 Wayne	M-NCPPC	1046554	LotP4 Blk2	6,863
925 Wayne	M-NCPPC	1046565	Lot5 Blk2	11,743
925 Wayne	M-NCPPC	1046576	Lot6 Blk2	8,286
925 Wayne	M-NCPPC	N/A	Outlot 8	N/A
Fenton St.	County	1044225	Lts 6-13	4.04A
			Lts 18-25	
			Pts 5,26,14-17	
Fenton Pl.	City Place	2893198	Lt 17 Byrn's Sub	11,295
	Ltd Partnership			

"Includes all roads, streets, highways, alleyways, other public ways and any other public or private properties within the boundaries of the Urban Renewal Area."

LIST OF PROPERTIES IN THE AMENDED URBAN RENEWAL AREA

SILVER SPRING URBAN RENEWAL AREA PART II (WEST OF GEORGIA AVENUE)

<u>Address</u>	<u>Owner</u>	<u>Tax Acc:</u>	<u>Legal Desc.</u>	<u>Lot Size</u>
8534 Georgia	Triangle MLP	1040034	Lot4 Blk C	6,076
8526 Georgia	Triangle MLP	1040045	P2 Blk C	14,000
8526 Georgia	Triangle MLP	1040023	P2 Blk C	4,967
8512 Georgia	Triangle MLP	1047445	P30 Blk 1	9,494
8420 Dixon	Triangle MLP	1040056	P1 Blk 1	3,542
8505 Dixon	Triangle MLP	1045594	P29 Blk 1	4,500
8560 Georgia	Triangle MLP	1042226	P11 Blk B	20,260
8500 Colesville	Triangle MLP	1043868	P12 Blk B	14,460
1106 Trinity	Triangle MLP	1047992	Lot 2 Blk D	6,530
8535 Ramsey	Triangle MLP	1047970	P1 Blk D	4,827
1104 Trinity	Triangle MLP	1043880	Lot 3 Blk D	7,581
1100 Trinity	Triangle MLP	2643677	P6 Blk D	19,939
8400 Colesville	WMATA	None	None	20,000

“Includes all roads, streets, highways, alleyways, other public ways and any other public or private properties within the boundaries of the Urban Renewal Area.”

LIST OF PROPERTIES IN THE AMENDED URBAN RENEWAL AREA

SILVER SPRING URBAN RENEWAL AREA PROPERTY INVENTORY

NEW PROPERTIES TO PART 1 (EAST OF GEORGIA AVENUE)

<u>Address</u>	<u>Owner</u>	<u>Tax Acc:</u>	<u>Legal Desc.</u>	<u>Lot Size</u>
855 Pershing	Citizens Bldg +	1042328	Lt 22	4,426
8485 Fenton	Citizens Bldg + Loan Assoc.	1039902	Lt21 Blk 5	9,249
8487 Fenton	Frank L Hewitt Jr.	1042090	P8 Blk 5	5,337
8661 Colesville	City Place LTD Partnership	2897540	Retail Unit of City Place Phase 1	91,247
817 Ellsworth Dr.	County - Garage 1A	977878	Lt 10 No Blk	5,860
730 Ellsworth Dr.	County - Garage 1	977867	Lt 9	6,289
		958033	Lt 11	5,933
		967697	Lt 19	4,604
		958022	Pt of Lt 6	5,653
		1044475	Lts 2-7 10-13 15-20 Pt of 8-9-14	182,550

“Includes all roads, streets, highways, alleyways, other public ways and any other public or private properties within the boundaries of the Urban Renewal Area.”

APPENDIX B

PROGRAMS AVAILABLE FOR REVITALIZATION OF DOWNTOWN SILVER SPRING

I. Locally Targeted Project Activities

The County has focused on two areas of the Silver Spring CBD currently designated for traditional commercial revitalization activities through the Department of Housing and Community Affairs (DHCA). Fenton Street Village includes approximately 80 small businesses with a strong emphasis in local serving retail and service providers. South Silver Spring includes approximately 60 businesses ranging from hotels to a discount department store and convenience retail and restaurants. The Revitalization Program for these areas includes:

- A. Streetscaping Program: Over \$5 million in Federal Community Development Block Grant funds have been budgeted for streetscaping in downtown Silver Spring over the next few years. This includes new sidewalk paving, new or repaired curbs, gutters, drainage structures, new street lights, street light banners, new sidewalk furniture such as bus shelters, benches and trash cans, new street trees and other landscaping, and adjusting overhead utilities to minimize their negative effect on the visual environment. Approximately \$9 million have already been expended for streetscape improvements on downtown Silver Spring's "main streets", Georgia Avenue and Colesville Road.
- B. Facade Easement Program: Financial incentives are provided to property owners in targeted commercial revitalization areas that effectively reduces the principal amount of debt a property owner must assume in undertaking building rehabilitation. The County purchases an easement from the property owner to control the appearance and ensure the continued maintenance of the renovated building for a stipulated period of time.
- C. Store Front Canopy Grant Program: Incentives to business operators are provided to create a more attractive and inviting appearance for their business with a matching grant of up to \$2,500 to purchase and install an exterior canopy/ awning that incorporates the business' name.

II. Financing Assistance

- A. State Neighborhood Business Development Program provides building improvement loans in conjunction with private lenders. The County will maintain the Silver Spring CBD as a state-designated Neighborhood Business Development Program Area. DHCA is the County's lead agency for this program.
- B. Federal Community Development Block Grants are used to fund building improvements as well. The County will seek HUD approval to designate the CBD as a Neighborhood Revitalization Strategy Area which creates business funding opportunities through HUD's Economic Development Initiatives.
- C. State MICRF and MILA loan programs will be targeted to assist qualified downtown businesses with below market business loans.
- D. Montgomery County Bankers' Small Business Loan Fund, Inc. is a loan pool established by a consortium of 21 local banks to provide loans to small businesses that are not able to obtain traditional financing. Loans are made available on more flexible terms and conditions than are normally available through traditional bank programs. The County's Department of Economic Development (DED) provides businesses in the CBD with program information and assistance with loan applications.
- E. Economic Development Fund provides assistance through loans or grants, or a combination of both, to private employers who are located, or plan to locate or expand, in the County. Businesses in the Silver Spring CBD applying for aid under this program receive special and priority consideration in accordance with County Executive Regulation 47-95. Out of 22 offers of assistance through May, 1996, from the Economic Development Fund, six were for companies to be retained or attracted to downtown Silver Spring.
- F. Industrial Revenue Bonds can be issued by the County to help companies finance the purchase of property and equipment, construction costs and working capital. Projects defined as manufacturing or 501(c)(3) exempt may be financed under this program. The maximum amount that can be financed is \$10 million. DED targets downtown businesses to provide information and application assistance.

III. Tax Credits

- A. Personal Property Tax Research and Development Credits are provided by the County for machinery, equipment, materials, and supplies used in basic

and applied research in sciences and engineering.

- B. The Silver Spring Enterprise Zone designated by the State gives tax credits to eligible property owners and businesses in the Silver Spring CBD. The criteria for eligibility to obtain tax credits will be established through Executive Regulations approved by the County Council. Property owners may receive property tax credits for ten years on the increased portion of the property taxes resulting from improvements to commercial properties in the Zone. Businesses can take a State income tax credits for each newly created job or job relocated into the State. These credits are designed to encourage reinvestment and improvements in commercial properties and to create or attract new jobs in the Zone.
- C. Historic Preservation Tax Credits are available for structures designated on the Master Plan for Historic Preservation, either individually or within a historic district. The tax credit is applied against County real property taxes in the amount of 10 percent of documented expenses for exterior maintenance, restoration or preservation work. The work must be certified eligible by the County's Historic Preservation Commission. This program is administered by the Historic Preservation staff at M-NCPPC. There are also Federal income tax credits for improvements to historic and older commercial properties. The Historic Preservation staff can provide information about these tax credits as well.

IV. "Green Tape" Permitting and Inspection Process

The County offers a "Fast Track" review of building, mechanical, fire, accessibility and electrical codes for businesses seeking permits for existing buildings where there is no change of use or structural alteration. The proposed "Green Tape" program would apply a "Fast Track" review to all businesses needing a permit in the CBD. A "Green Tape" team would support an applicant through the various regulatory reviews and inspections by providing a customer-service caseworker as the single point of contact for the applicant. The caseworker would work with the applicant to ensure, to the greatest extent possible, a seamless permitting and inspection process.

V. "Smart City"- Fiber Optic Technology

Silver Spring has considerable fiber optic capacity through existing infrastructure. The Greater Silver Spring Chamber of Commerce and the County are reviewing ways to use this capacity to market the CBD as a high-tech zone or "Smart City" to attract and retain businesses which rely on technology of this nature.

VI. **Department of Economic Development (DED) Small Business Assistance Activities**

Montgomery County DED provides a wide range of technical assistance to small businesses owned by minorities, females, and disabled individuals. Many of these Countywide programs have been aimed at the Silver Spring business community:

- A. **Small Business Assistance:** Four of the sixteen participants in the 1995-96 Small Business Mentorship Program are from Silver Spring, and DED will devote special effort to market this program to downtown businesses. The 1996 Business Procurement Fair was held at the Quality Hotel in Silver Spring. More than 500 entrepreneurs attended the event. DED's scope of services include a youth business internship program, procurement outreach, and an outreach plan to increase contracts with African American firms, many of whom are in Silver Spring. DED will continue to provide these and other services to small businesses in downtown Silver Spring.
- B. **Silver Spring Business Incubator Without Walls** offers information technology development and business development services to small businesses located in Silver Spring. Through the program these firms have access to technical assistance, computer access training, and one-on-one counseling. Candidates for the Incubator will be identified through recommendations from established business owners or community organizations. Entrepreneurs may also apply to participate in the program. Eligible to enroll in the program are small businesses and businesses owned by minorities, females, and persons with disabilities.

The Incubator enables start-up companies to maximize their business potential by tapping into all available business resources in Montgomery County. Another purpose of the Incubator is to train new business owners to use information technology to sharpen their competitiveness and strengthen their position in the marketplace. DED operates the Incubator Without Walls in cooperation with an extensive network of business support agencies and organizations in the area. Cooperating organizations include the Suburban Washington Small Business Development Center (SBDC), National Business League, the Greater Silver Spring Chamber of Commerce, and the NAACP.

Technical Assistance and one-on-one counseling are provided to Incubator participants by small business development counselors of DED and SBDC. Business experts and organizations will be used as necessary to provide training to the entrepreneurs in the Incubator program. Business counselors and private sector speakers will cover a wide range of business topics of

interest to all Incubator participants. Computer training will be provided through the Howard University School of Continuing Education located in downtown Silver Spring.

- C. Small Business Development Center in Montgomery County is hosted by DED. A significant percentage of the businesses counseled by the SBDC are located in Silver Spring. This level of effort is expected to continue.
- D. Business Retention: DED, the Silver Spring Redevelopment Office, and the Greater Silver Spring Chamber of Commerce participate in monthly business visitations. The purpose of these visits is to identify issues facing the businesses and to inform the owners or managers about business resources.
- E. Business Recruitment and Promotions: As part of their business recruitment and marketing for the County, business prospects are introduced by DED to facilities in the Silver Spring CBD. DED helped fund a marketing brochure and a packet of information on downtown Silver Spring produced by the Greater Silver Spring Chamber of Commerce, which is made available to brokers, property managers, and business prospects.

VII. Montgomery College Small Business program (MCSBP)

Montgomery College, with a campus just outside the CBD boundaries to the south, in cooperation with the Small Business Development Center, offers a curriculum leading to a certificate in Small Business Development. The courses provide start-up businesses with the latest information to enable them to launch their business concepts. The SBDC provides counseling to students who have attended the certificate program.

VIII. Silver Spring Urban District Activities

- A. Beautification and Maintenance: The Urban District provides special services to downtown Silver Spring including trash pick-up, weed control, landscaping maintenance, seasonal decorations and banners, and seasonal plantings. A special security effort includes escort service, patrolling the parking facilities and streets of downtown on bicycles, and assistance with information and directions to people unfamiliar with the area. This makes downtown more attractive, comfortable, and friendly to coming downtown.
- B. Promotions and Marketing: The Urban District sponsors a variety of events such as the Summer concerts, the Ethnic Heritage Festival, Holiday Lighting Ceremony, and First Night to draw people downtown and help maintain a sense of

community and identity with downtown. The Dasher shuttle bus system is funded by the Urban District to provide access for shoppers around downtown during the month of December. The District publishes a Silver Spring Diners Guide, a Measured Miles Health Trail brochure, and a security/safety tips brochure. The District co-sponsored a marketing brochure on the Silver Spring CBD with the Greater Silver Spring Chamber of Commerce, and issues weekly press releases on downtown activities and items of interest to the news media.

IX. Maximization of Transportation Alternatives

Montgomery County promotes economic development in its business districts by managing its transportation system through capital improvement projects and policies and services that constrain the demand for auto use while encouraging the use of commuting alternatives. These efforts have been particularly significant in downtown Silver Spring.

- A. Mass Transit: Silver Spring is home to the largest transportation hub in the State of Maryland. The opening of the Washington Area Metropolitan Transit Authority (WMATA) fixed rail transit station on the METRO Red Line in 1978 provided a new means of access to Silver Spring from around the region and placed Silver Spring within 15 minutes of Capitol Hill in Washington, D.C. The METRO station opened up new market opportunities for businesses in Silver Spring and was further enhanced by a major bus terminal for regional busses operated by WMATA and the County's local bus service, Ride On. These transit facilities make downtown Silver Spring more accessible to employees, increasing the prospects for job development.

Currently the County is working closely with State of Maryland Transportation officials to move the MARC rail station to a location adjacent to the METRO Red Line Station. This project is in the design stage and funding is budgeted by the State.

- B. Silver Spring Transportation Management District (SSTMD): In 1987, the County established the concept of using a transportation management organization to implement a limited number of mandatory transportation demand management techniques coupled with efforts to promote voluntary employer support. The SSTMD created a partnership with downtown businesses through the implementation of individual traffic mitigation plans, on-site promotions, and annual commuter surveys. It also utilized a series of transportation demand management strategies such as financial incentives that encourage the use of mass transit and high occupancy vehicles, fare subsidies, and carpool discounts. SSTMD has proven to be effective in reducing the use of the single occupant auto in and through

Silver Spring to only 53 percent in 1996. In other words, 47 percent of commuters did not drive to work alone during the morning peak hour, they used alternative transportation modes.

- C. Silver Spring Parking Lot District (PLD) was established to provide an extensive public parking system to serve the Silver Spring CBD. The County's management of the supply, operation, and parking charges ensures that the system is responsive to the needs of the visitors, employees, employers and businesses, both existing and new, in downtown Silver Spring. The Silver Spring PLD is a self-supporting enterprise fund, and all parking revenues collected within the District must stay in the District. The PLD also uses property taxes paid on properties that do not meet the parking requirements in the County Zoning Ordinance. The PLD is managed, and the parking facilities are located to complement privately owned facilities, not to compete with them. The County is currently reviewing the PLD payment and pricing programs and considering implementation of programs in the CBD which would help promote the economic growth of downtown Silver Spring without adversely affecting the revenues dedicated to the Silver Spring PLD.

APPENDIX C

Boundary Description of the Amended Urban Renewal Area

Beginning for the same at the intersection of the easterly right of way line of Georgia Avenue and the southeasterly right of way line of Wayne Avenue and running thence across Georgia Avenue; thence

1. Running with a part of the aforesaid southeasterly right of way line of Wayne Avenue, crossing an alley and Dixon Avenue; thence
2. Continuing to run with a part of the southeasterly right of way line of Wayne Ave to the easterly right of way line of Ramsey Avenue; thence crossing Ramsey Avenue; thence
3. From a point on the westerly right of way line of Ramsey Avenue; thence running with a part of the aforesaid Wayne Avenue right of way line to intersect the southeasterly right of way line of Colesville Road; thence
4. Crossing the same to intersect the northwesterly right of way line of Colesville Road at the westerly right of way line of Second Street; thence
5. Crossing the Second Street right of way running in a northeasterly direction with a part of the same northwesterly right of way line of Colesville Road, crossing Ramsey Avenue and continuing to intersect the southwesterly right of way line of Georgia Avenue; thence
6. Crossing the same still running with a part of the northwest right of way line of Colesville Road, crossing Fenton Street; thence
7. Running with a part of the northeasterly right of way line of Fenton Street; crossing Coleville Road to the northwesterly right of way line of Roeder Road, thence crossing the same; thence
8. Running with a part of the northeasterly right of way line of Fenton Street to the southwest corner of a parcel described as Roeder's Addition to Silver Spring, Lot 19; thence
9. Leaving said right of way line of Fenton Street and running with a part of the northwesterly property line of said parcel to intersect with the southwesterly property line of a parcel described as Roeder's Addition to Silver Spring, Lot 6; thence

10. Running along said property line of Lot 6 in a northwesterly direction to intersect with the southeasterly right of way line of Roeder Road; thence
11. Running with a part of said right of way line of Roeder Road in a northeasterly direction to a point at the northwest corner of said Lot 6; thence
12. Leaving said right of way line of Roeder Road in a southeasterly direction along the northeasterly property line of said Lot 6 and continuing along the northeasterly property line of a parcel described as Roeder's Addition to Silver Spring, Lot 11 to intersect the northwesterly right of way line of Ellsworth Drive; thence
13. Leaving said property line of Lot 11 and running in a northeasterly direction with a part of said northwesterly right of way line of Ellsworth Drive to intersect the south right of way line of Spring Street; thence crossing the same to a point on the northeasterly right of way line of Cedar Street; thence
14. Running in a southeasterly direction along a part of said northeasterly right of way line of Cedar Street to intersect the northwesterly right of way line of Pershing Drive; thence
15. Crossing Pershing Drive in a southeasterly direction to the southeasterly right of way line of Pershing Drive; thence
16. Running in a southwesterly direction with a part of said southeasterly right of way line of Pershing Drive to a point at the southwest corner of a parcel identified as St. Michael's Church; thence
17. Leaving said southeasterly right of way line of Pershing Drive and running in a southeasterly direction along the southwesterly property line of the St. Michael's Church parcel to intersect the northwesterly right of way line of Wayne Avenue; thence
18. Crossing Wayne Avenue in a southeasterly direction to the southeasterly right of way line of Wayne Avenue; thence
19. Running in a southwesterly direction with a part of the same southeasterly right of way line of Wayne Avenue to intersect with the Fenton Street right of way; thence
20. Crossing Fenton Street and continuing in a southwesterly direction with a part of the same southeasterly right of way line of Wayne Avenue to intersect with Georgia Avenue at the point of beginning.